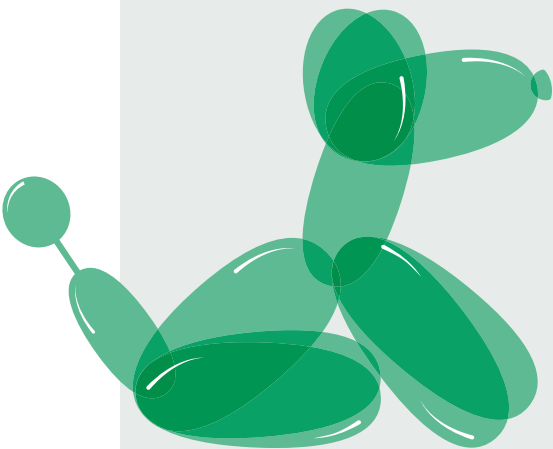


Policy

CUSTOMER SUPPORT:
1-855-600-7072

TELEHEALTH SUPPORT:
1-855-587-7710





Read Your Policy

We encourage You to read this entire Policy Document and the examples We have provided, to ensure that this '**New Condition Coverage**' Policy is the ideal way to protect Your Pet and Your finances (please see pages 8 to 11 for **What's Covered** and pages 12 to 16 for **What's Not Covered**).

If You know or believe that any information in Your Policy Documents is incorrect, please contact Us immediately.

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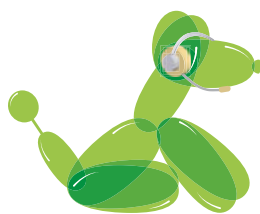
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Questions? Chat with Us online!

Email our team at care@phidirect.com
If You are a current customer, call **1-855-600-7072**



SECTION 1

Your Policy

At PHI Direct, *Fluff-free Pet Health Insurance*™ means We provide pet health insurance coverage so You can be prepared and empowered to treat Your Pet's new illnesses and Accidents as they arise. We've also done away with many of the overblown features that are rarely used by pet-owners, yet can really drive up the costs of Your coverage.

At PHI Direct, we believe that your pet should be protected to live the best life imaginable. PHI Direct is there to offer protection so you and your pet can do just that without worrying about the risks. So, your pet is covered whether it surfs, mountain climbs, sky-dives, paddle boards or is a parkour expert. We believe that you should have as much fun as you want with your pet. And we're here to support you as you do so.

No matter if you're into extreme sports or just cuddling on the couch, PHI Direct is there for you and your pet.

Skiing & Snowboarding Yup.

Mountain Climbing Yes!

Surfing Yes. In Canadian & US coastal waters.

Dock Diving Sure!

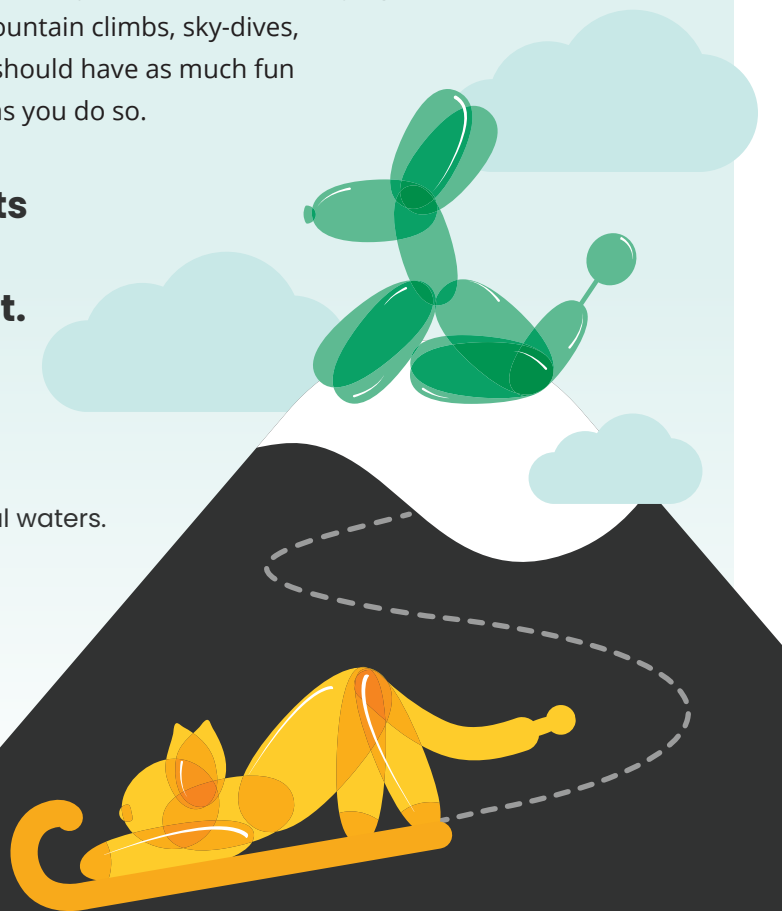
Paddle Boarding Definitely Yes!

Sledding Yes!

Parkour Yes.

Kayaking Yes.

View Sections 3 and 4 for a complete list of what's covered and what's not.



Understanding Our 'New Condition Coverage' Policy

Our plans have been designed to provide You with quality financial insurance coverage for Your Pet for any Accident, any non-Pre-existing medical Condition and/or any Illness **for up to a year** – depending upon when within the Policy Year the Accident or Illness occurred.

With Our plans, when that time period of up to a year has expired, coverage for any Accidents or new Illnesses claimed during the Policy Year is no longer available. However, you'll continue to have coverage – and peace of mind – that Your Pet is protected against any future Accidents or new Illness that might occur in future Policy Years.

Offering You pet health insurance through this 'New Condition Coverage' approach allows Us to continue to provide protection with very affordable Premiums year after year over the life of Your Pet – as long as You remain enrolled.

30-Day Free-look Period

Where permitted by law, if for some reason You decide to cancel Your Policy, You have 30 days from Your Policy Effective Date to cancel Your Policy without any financial obligation. In the event that You notify Us to cancel Your Policy within that period, We will refund any part of the Premium You have paid and Your Policy shall be void, so long as We have not reimbursed You for any claims. The enrollment fee is non-refundable.

PHI Direct Plans*



\$5,000

Annual Benefits/Policy Limit

Your Co-insurance Share: 20%
Deductible: \$200
We Reimburse: 80%



\$10,000

Annual Benefits/Policy Limit

Your Co-insurance Share: 20%
Deductible: \$200
We Reimburse: 80%

* Subject to Exclusions, conditions, deductibles and sub-limits. These are coverage options that may be available, please check your Declarations page to see which one applies to you.

How Your 'New Condition Coverage' Policy works

Here are some straightforward **examples** to show You how PHI Direct and Our 'New Condition Coverage' works.

#1 Betty

Policy Term: February 1 to January 31

Type of Claim: Illness

Condition: Betty is diagnosed with diabetes on December 15

Coverage: The Policy would cover claims for Treatment provided from December 15 to January 31

Upon Policy Renewal: Diabetes would become a pre-existing illness and no more coverage would be provided after January 31 in future years.



#2 Skippee

Policy Term: September 15 to September 14

Type of Claim: Illness

Condition: Skippee is diagnosed with a cruciate tear of the right rear leg on November 20*

Coverage: The Policy would cover claims for repair and Treatment of the cruciate on the right rear leg from November 20 to September 14.

Upon Policy Renewal: Any other issues concerning the right rear cruciate and left rear cruciate (because this is a Bilateral Condition) would become Pre-existing Conditions and no more coverage would be provided.

**It is important to note that the 60-day Waiting Period for cruciate claims had already passed. Had the incident been earlier (i.e., on September 30), no coverage would have been provided because it occurred during the Waiting Period for Cruciate Ligament Conditions.*

#3 Harry

Policy Term: July 1 to June 30

Type of Claim: Illness

Condition: Harry is diagnosed with gastroenteritis on December 15 after getting into the neighbour's garbage.

Coverage: The Policy would cover claims for Treatment costs to resolve the vomiting and diarrhea. On January 20, Harry once again raids the neighbour's garbage and once again is eligible to submit claims for Treatment. All claims for Treatment must occur between December 15 and June 30. On July 15 in the next Policy Year, Harry is motivated and raids garbage and once again develops gastroenteritis. Because the first year of the Policy has passed, this third episode of Gastroenteritis due to Dietary Indiscretion is no longer eligible for coverage, as it has become a Pre-existing Condition.

Upon Policy Renewal: Dietary Indiscretion would no longer be eligible for coverage.

#4 Fozzie

Policy Term: June 1 to May 31

Type of Claim: Illness

Condition: Fozzie is diagnosed with a bone cancer (osteogenic sarcoma) on April 30

Coverage: The Policy would cover claims for Treatment costs from April 30 to May 31, i.e., Policy would cover radiation Treatments for 1 month. The Policy would cover any eligible claims for Treatment costs related to this bone cancer from April 30 until May 31 at which time a new Policy Year would begin.

Upon Policy Renewal: The bone cancer would become a Pre-existing Condition and no more coverage would be provided. All other cancers unrelated to this cancer would be still eligible for coverage.



#6 Tyson

Policy Term: October 1 to September 30

Type of Claim: Accident

Condition: Tyson is diagnosed with an eye inflammation due to an altercation with a newly adopted cat on September 15.

Coverage: The Policy would cover all the claims for initial Treatment for what turned out to be a scratched cornea. The cornea was healing well, but the attending Veterinarian wanted a final re-check in a month's time (in October). All claims for Treatment up to and including September 30 would be eligible for coverage.

Upon Policy Renewal: The re-check examination scheduled in October is not eligible for coverage as it incurred after the Annual Policy Period in which the Injury occurred, and the scratched cornea due to the altercation with the cat has now become a Pre-existing Condition. However, in December, while running through the woods, Tyson's eye was scratched by a low hanging branch and the Treatment for this Injury is eligible for coverage as it is considered a separate, unrelated Accident.

#5 Arnold

Policy Term: June 1 to May 31

Type of Claim: Illness

Condition: Arnold is diagnosed with a nasal tumor on July 1

Coverage: The Policy would cover claims for Treatment costs from July 1 to May 31 i.e., Policy would cover any eligible claims for Treatment recommendations by Arnold's Veterinarian, including, but not limited to, surgery, chemotherapy, immunotherapy and radiation from July 1 until May 31st of the following year.

Upon Policy Renewal: The nasal tumor would become a Pre-existing Condition and no more coverage would be provided. If Arnold develops another tumor in a subsequent Policy Year that is unrelated to this nasal tumor, then that tumor is eligible for coverage in that Policy Year.



What to Expect from PHI Direct

Direct, Ongoing Communication

All of Our communication with You, including Your Policy Document, will be written in plain, straightforward language.

We use important keywords, which You will find capitalized throughout Your Policy Document. To understand exactly what these words mean and how they relate to Your insurance coverage – please refer to the Glossary on pages 25 to 29 of this Document.

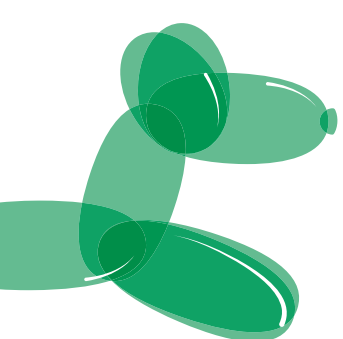
To simplify things further, this Document includes two different types of information:

- **Your Policy** – the legal wordings that detail the terms and conditions of Your actual pet health insurance coverage.
- **Understanding Your Policy** – helpful information, examples and tips to help You understand what Your Pet is covered for, how Your coverage works, conditions, Exclusions and limitations, and how, when and whom to contact when You need support, or more information which also form part of your Policy.

Getting Started

After You have enrolled for coverage You will have received:

- This **PHI Direct Policy Document**
- A **Declaration Page**, which includes a schedule of maximum amounts, and which also lists:
 - Your Pet's name, species, breed and age
 - Your Policy Number
 - Your mailing address and contact details, including Your email address
 - Your Policy Effective Date
 - The benefits amount/level of coverage You've selected for Your Pet
 - Your Premium and Co-insurance cost
 - Your annual Deductible amount
 - Your enrollment fee, payable in year one of Your Policy being in force
 - Any applicable taxes
 - Your Waiting Periods for Accidents, Illness and Cruciate Ligament Conditions
- **Statutory Conditions** describing the statutory responsibilities of the parties to the insurance Contract
- A copy of Our **Privacy Policy**



If You did not receive this information or if there is an error, please contact care@phidirect.com or call 1-855-600-7072

E-mail Notification Preferred

You may choose Your preferred method of communication (email or post), but We encourage electronic communications (email) for the delivery of Policy Documents and claim notifications including Reimbursement.

If You have chosen electronic communications, We will consider any items emailed to You as received by You on the date they are sent to the last verified email address We have on record in Our system. Therefore, it is important that You notify Us of any changes to Your email address. Please note You may change Your preference any time by contacting Us at 1-855-600-7072 or via email at care@phidirect.com.

Annual Renewal

Each year, a minimum of 30 days before Your Policy Anniversary Date – the date when Your coverage is set to renew – new versions of these Documents (as applicable) will be mailed or emailed to You (depending upon the method of communication You have chosen). It is important that You review these Documents as soon as You receive them, because each year Your coverage, Premiums, policyholder details and Annual Policy Limit may have changed.

At Renewal

PHI Direct is a 'New Condition Coverage' Policy that is designed to keep Your Premiums low. This means that each year – upon renewal of ALL PHI Direct Policies – no Pre-existing Conditions, Associated Conditions and Bilateral Conditions are carried forward into future coverage.

Your Premiums may increase in accordance with changing costs of services provided in the area Your Pet receives veterinary Treatment, but do not change more frequently than once in any 12-month period. Rates may also change over time as PHI Direct receives more data from an increasing number of pets, which improves Our ability to accurately price.

Effective Date of Your Coverage

Your Policy Effective Date is the date Your Policy comes into effect. However, with pet health insurance, there are several Waiting Periods in place that dictate when Your coverage becomes available. Under this Policy, there is no coverage available unless Your Pet's Accident, onset of Illness or other event occurs after the expiry of the Waiting Periods indicated below:

For Accidents:
48 hours

For Illnesses:
14 days

For Cruciate Ligament Conditions:
60 days

All Waiting Periods begin at 12:00 a.m. on Your Policy Effective Date.

Note that if Your Pet first had an Accident or Injury within 48 hours; or showed any clinical signs of an Illness or was diagnosed with a Condition within the first 14 days; or developed a cruciate ligament injury within the first 60 days after the Policy Effective Date, We reserve the right to apply an Exclusion to Your Policy in respect of this clinical sign, Accident, Injury, Illness or Condition.

Policy Term

This pet health insurance Policy is an annual Policy for which You pay the applicable Premium on a monthly basis.

This Policy offers insurance coverage under the terms and conditions outlined in this Policy, as long as Your Pet is initially enrolled before reaching 14 years of age. Your Policy is then automatically renewed each year thereafter, providing You continue to pay Your Premiums.

Termination of Policy

The law applicable where You live requires that We attach Statutory Conditions with Your Policy. The Statutory Conditions that accompany this Policy allow for termination of Your Policy for several reasons. Nevertheless, We will only terminate Your Policy for non-payment of Your monthly Premium, fraud or material misrepresentation made by You or with Your knowledge in obtaining the Policy; or if We are unable to obtain a complete copy of Your Pet's medical records by the date requested.

Your Policy will also end:

- The date We receive Your cancellation request; or
- The date Your Pet passes away.

Your Responsibilities

Below We describe Your obligations in paying for coverage and sharing costs associated with this Policy.

Premiums and Fees

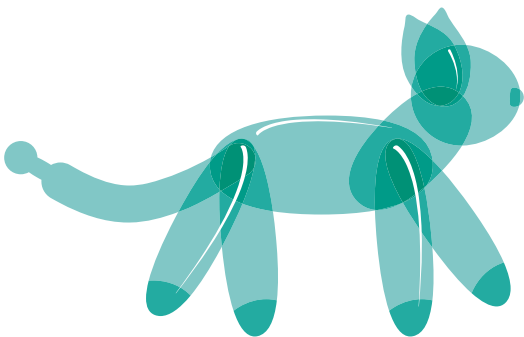
The monthly cost for Your PHI Direct Policy is referred to as the Premium.

You must pay the Premium that applies to Your Policy to keep the coverage in effect. The amount of the Premium and any applicable government taxes can be found in Your Declaration Page. Premiums are due monthly on Your payment date.

Because this is a 'New Condition Coverage' Policy, Your Premium and/or coverage features may change on Your Policy Anniversary Date, but do not change more frequently than once in any 12-month period. We will give You at least 30 days advanced notice of any changes.

Additional Fees

There is a one-time enrollment fee per pet at the time of enrollment, due to the up-front costs associated with processing Your Policy. You will find this enrollment fee disclosed on Your Declaration Page.



Your Share and Deductible

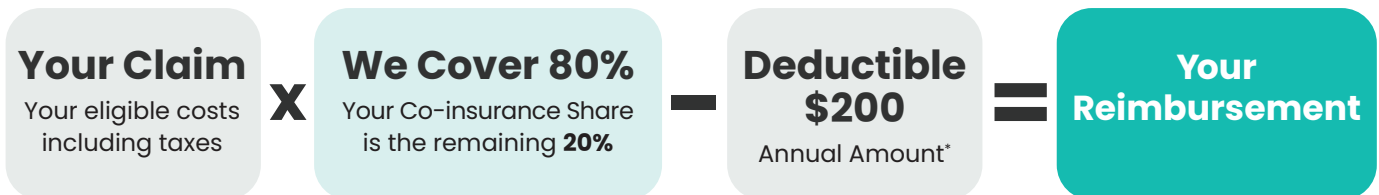
Co-insurance (Your Share) is the amount (20%) of any eligible claim for which You are responsible. You are also responsible for any costs directly excluded by this Policy.

You will also be responsible for paying a once-per-annum \$200 Deductible against any/all claims that You make that Policy Year. If You have no claims in a given year, You will then have no Co-insurance amount, and no Deductible to pay within that year. Once You have fully paid Your once-per-annum Deductible amount, You will not have to pay any further Deductibles on any claims You make for the remainder of Your Policy Year.

When calculating Your Reimbursement, the Co-insurance is applied first, followed by the Deductible, less any excluded costs.

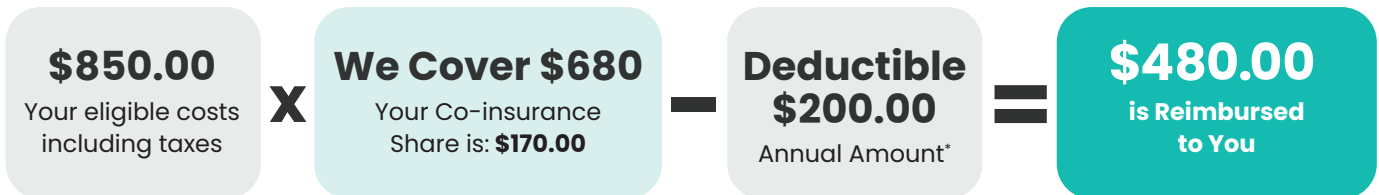
For any claims submitted in US Dollars, We will reimburse You at par in Canadian dollars and You will be responsible for any currency exchange differences (please see page 21, item K for additional information).

How Claims are Calculated



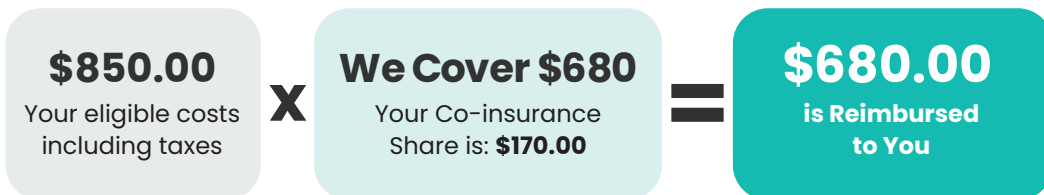
Example #1:

You are making Your **First Claim Of The Year** and Your eligible veterinary costs are: **\$850**



Example #2:

You have previously **satisfied Your annual Deductible*** with an earlier claim in same Policy Year.



**Once You have fully paid Your once-per-annum Deductible amount, You will not have to pay any further Deductibles on any claims You make for the remainder of Your Policy Year.*

What's Covered

A pet health insurance Policy is a legal Contract between You and Us. In addition to providing the details of **Your coverage**, Your Policy outlines Your obligations and responsibilities – things You must do to ensure Your Pet's coverage is maintained.

A. Your Premium Requirement

As long as You pay Your Premium, comply with the Policy Conditions, and comply with the **Statutory Conditions**, We will provide insurance coverage for Your Pet. Your level of coverage is shown on Your **Declaration Page**. You must satisfy any applicable Co-insurance and Deductible amounts for all coverage.

B. This is a 'New Condition Coverage' Policy.

This '**New Condition Coverage**' Policy provides coverage for Accidents and new Illness Conditions for Your Pet that occur during a one-year Annual Policy Period. This means that the coverage for, and Policy limits relating to a Condition, or Associated Condition or Bilateral Condition relating to that Condition and affecting Your Pet is provided for up to one year from the date that Your Policy is issued, and for that Policy Year only. Your Policy then automatically renews for another year unless cancelled by You. Your Policy coverage will exclude in future years any Conditions claimed or incurred in previous years and any Associated Conditions or Bilateral Conditions relating to that originally claimed Condition that arose in the Policy Year, or that may arise in the future.

C. Benefit Maximum

PHI Direct has two levels of coverage: Direct 5 (\$5,000 CDN coverage) or Direct 10 (\$10,000 CDN coverage). Depending on the amount You selected at enrollment, the total coverage provided under Your Policy is an annual maximum of \$5,000 or \$10,000 payable for Medically Necessary Veterinary services required to treat Your Pet's Illnesses or Injuries and other coverages as described in this Section 3. Your benefit maximum is shown on Your Declaration Page.

D. Coverage Requirements

To be eligible for insurance coverage, Your Pet:

- i. Must be at least 7 weeks of age and under 14 years of age at time of Your initial enrollment, **and**
- ii. Must have had a complete Physical Exam performed by a Veterinarian in the 12 months prior to Your Policy Effective Date. If Your Pet has not received a Physical Exam within that time, We may terminate Your Policy because We need those records, in addition to any other medical records of Your Pet, in order to process any claims that You may submit. If We terminate Your Policy, We will refund any Premium payments made to Us, except for the enrollment fee. We will not offer a Premium refund

when We have already paid a claim submitted by You. If We cancel Your Policy because Your Pet has not been seen by a Veterinarian in the 12 months prior to Your Policy Effective Date, You may apply for a new Policy after Your Pet has a Physical Exam by a Veterinarian and We receive the medical records from the visit. However, any Conditions noted by the Veterinarian at that visit will be considered a Pre-existing Condition and be ineligible for coverage under the Policy.

E. Ongoing Coverage Requirements

It is recommended, that You have Your Pet examined at least once a year by a licensed Veterinarian. For Your Pet to remain eligible for coverage, You must:

- i. Have all vaccinations and other Preventive Treatments for Your Pet as recommended by Your Veterinarian.
- ii. Follow advised Treatments for Your Pet to prevent Accidents or Illness.

Failure to follow the advice of Your Veterinarian, as documented in their medical records, may disqualify Your Pet from this coverage.

F. Eligible Conditions

- i. Coverage is provided for all costs subject to co-insurance and deductibles for the medical Treatment of Your Pet by a licensed Veterinarian, for any eligible Accident or Illness Condition up to the maximum Annual Policy Limit or the Policy Anniversary Date, whichever occurs first.
- ii. The coverage for each Condition (a specific Illness or Accident) will begin when symptoms are first noted by You and Your Veterinarian (subject to applicable waiting periods).
- iii. Other than procedures listed in Section 4(A)(8) (see page 16), Hereditary and Congenital Conditions are covered, as long as such Conditions would not have been evident during a comprehensive exam prior to the inception date of Your Policy, or during the Waiting Periods, whether noted or not.
- iv. The coverage for each eligible Condition(s) will end when either the maximum amount specified in Your Policy limit has been reached, or when the renewal date following the date Your Policy was issued has been reached; whichever of those dates occurs first.
- v. Claims can be submitted for one individual Condition, or in combination for any number of eligible Conditions, Associated Conditions and Bilateral Conditions which occurred during Your Policy Year, up to the amount of the Annual Policy Limit or until the Annual Policy Anniversary Date.

For medical non-emergency related claims, it is recommended, but not required, that You discuss Your Pet's Condition with Our Telehealth service team first (See page 13 for details).

G. Coverage for Professional Services

Your PHI Direct coverage includes, but not limited to, the following professional veterinary services:

- | | |
|----------------------------|---|
| i. Alternative Therapies | vii. Hospitalization |
| ii. Anesthesia and Surgery | viii. Imaging
(CT scans, MRI and X-Rays) |
| iii. Applicable Taxes | ix. Medical Procedures |
| iv. Diagnostics | x. Prescription Medications |
| v. Emergency Care | xi. Referral and Specialist Fees |
| vi. Exam Fees | |

H. Specific Coverage Details

1. Alternative Therapies

Alternative Therapies include acupuncture, chiropractic services, veterinary orthopedic manipulation (VOM), hydrotherapy, massage therapy, physiotherapy, and laser Treatments are all eligible expenses, if provided by, or under the Direct Supervision of, a licensed Veterinarian and related to an eligible Accident or Illness.

2. Behavioural Therapy

Consultations with a licensed Veterinarian to diagnose and recommend Treatment for Behavioural issues in Your Pet that did not exist prior to the expiry of Your Policy's 14 day Waiting Period. If referred by Your Veterinarian, We will also pay for the costs for Behavioural modification therapy by a Certified Applied Animal Behaviourist. However, if treatment is being offered by someone other than a Veterinarian, We suggest that You call Us if You are unsure whether coverage is available prior to commencing treatment.

3. Coverage While Travelling

Your Policy will provide coverage for any eligible Accident or Illness which occurs while Your Pet is in the United States of America, Canada, or any other region under U.S. or Canadian government control, such as military installations/bases in foreign countries. PHI Direct Premiums are paid in Canadian dollars, so any eligible costs paid in legal currency of the United States of America incurred while travelling will be reimbursed on a 'dollar-for-dollar' basis (at par) in legal currency of Canada.

4. Dental Tooth Fracture

If Your Pet experiences a tooth fracture in a previously healthy/non-diseased mature tooth, as a result of some traumatic event, Your Policy will cover the expenses incurred to have this fractured tooth extracted, including the surgery, anesthetic and all Medications associated with the extraction. No other Dental coverage is provided including the removal of fractured deciduous (non-permanent) teeth.

5. Medical Devices

When prescribed by Your Veterinarian, Your Policy will cover the costs of Your Pet's medical devices required for the Treatment of any eligible Condition. Examples: a glucometer that is necessary for in-home blood glucose monitoring, or a brace that is necessary to treat orthopedic issues, or a wheelchair. Dental braces would not be considered an eligible medical device as they are considered a Cosmetic Procedure. The maximum amount that may be claimed for a medical device is \$500 per each eligible Condition.

6. Parasites

Medical Treatment for skin, intestinal or blood parasites affecting Your Pet is available for coverage under Your PHI Direct Policy under the circumstances in which a definitive diagnosis has been made, clinical signs are present, Treatment is recommended and that any previous preventive medications recommended by Your Veterinarian has been administered by You to Your Pet. If a definitive diagnosis of a parasite has not been made through any diagnostic tests (e.g. fecal examination, skin scraping or blood test), then any Treatment administered would be considered preventive and would not be eligible for coverage.

7. Euthanasia

In the unfortunate circumstances that Your Pet needs to be humanely euthanized by Your Veterinarian, as a consequence of a Condition that is presently eligible for coverage under Your PHI Direct Policy, then Your Policy will cover the costs of euthanasia. However, any costs for cremation or burial will not be eligible for coverage.

I. Telehealth Support 24/7 Access – 1-855-587-7710*

Unexpected medical situations are never convenient. When You have a medical issue with Your Pet and limited access to medical advice, We provide this important support benefit as part of Your coverage.

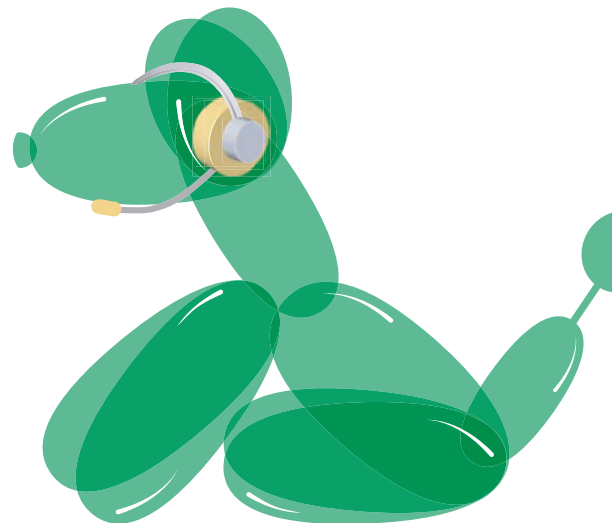
For medical non-emergency related claims, it is recommended, but not required, that You discuss Your Pet's Condition with Our Telehealth service team first.

This toll-free telephone service gives You access to veterinary nurses 24 hours a day, 7 days a week. They will be on hand to support You, if You need to discuss Your concerns regarding Your Pet's health before taking them to an emergency hospital, or even prior to visiting Your regular Veterinarian. After a thorough discussion of Your Pet's clinical signs with Telehealth Support, You will be in a far better position to decide when veterinary Treatment is necessary and within what time frame.

Please note, for any Medical Emergency which involves life or limb or inability to breathe, contact Your emergency hospital or Veterinarian for immediate support. Telehealth Support cannot provide details relating to Your Policy or what may or may not be excluded from coverage.

Please read this Policy carefully or call Customer Care at 1-855-600-7072 to discuss matters relating to Your Policy coverage.

*Telehealth Support is offered through Vetsdirect Limited.



What's Not Covered

Understanding **what is not eligible** for coverage under Your Policy is important, because it helps You plan for the future and make proactive decisions around Your Pet's health. Once You have reviewed this section, if You still have any questions about how Your Policy coverage works, please contact Us at care@phidirect.com.

A. Exclusions

1. Administration Fees

We do not cover administrative costs or fees relating to the administration of the Policy, including filling out insurance forms or costs to send records or radiographs.

2. Anal Glands

Expenses related to Routine anal gland expression or impaction/abnormal fluid consistent with minor infection (sacculitis), regardless of the frequency of anal gland expression, would not be eligible for coverage. However, if the minor sacculitis progressed to a serious infection requiring more aggressive medical therapy than expression alone, such as infusion of antibiotics into the gland itself or the lancing of an anal gland abscess, then the Condition would be eligible for coverage.

3. Associated Conditions

Your Pet's body is a complex medical system, and all parts of this system are closely connected, relying upon one another to sustain Your Pet's health. Due to this, a problem that occurs within one of Your Pet's body systems can (and often does) bring forward another related Condition that appears as clinical signs in another part of Your Pet's body. This is known as an 'Associated Condition'. An Associated Condition's eligibility for coverage is the same as the Condition to which

it is directly related. If the primary Condition is ineligible for coverage, then the Associated Condition is also ineligible. See definition in Glossary on page 25.

Example 1: *Cataracts developing in a pet with diabetes mellitus would be an Associated Condition. It is very common for dogs who suffer from diabetes to develop cataracts, especially if the diabetes is not well controlled.*

Example 2: *An ear infection arising in a dog who suffers from allergies would also be considered an Associated Condition. Although there are a number of possible causes of ear infections, the most common situation, by far, is in a dog who suffers from inflamed skin due to allergies. When skin tissue inside the ear gets inflamed from the allergic Condition, yeast and bacteria that normally inhabit the ear in small numbers, proliferate and are able to overcome the skin's natural defense mechanisms, with an ear infection being the result.*

4. Behavioural Problems

Expenses related to any Accident arising from Your Pet's known Behavioural problem, whether of an aggressive nature or otherwise. For example, if Your dog suffers from separation anxiety and this Behavioural problem is known to You before taking out an insurance policy, then

if Your dog accidentally swallows some foreign material as part of any destructive behaviour resulting from this anxiety, any medical expenses to treat the ingestion would not be eligible for coverage.

5. Behavioural Devices, Preventive Products or Obedience Training

The cost of any classes or non-therapeutic training or therapy. Correctional devices (e.g. prong collars, head leads, muzzles, shock collars) or Preventive products used to address Behavioural problems are also not covered.

6. Bilateral Conditions

A 'Bilateral Condition' is a Condition that affects either side of the pet's body system of which there are two, in a related way, specifically any Condition that affects one of the eyes, ears, kidneys, hips, knees, hocks, wrists, elbows, or shoulders. If only one body part of two is affected by a Condition **prior** to the issuance of Your PHI Direct Policy, then this Condition would be considered Pre-existing should it affect either body part at any time in the future. If only one body part is affected by a new Condition during a Policy Year, then it is eligible for coverage for the balance of that Policy Year. However, in subsequent Policy Years, both body parts would now be ineligible for coverage. See definition in Glossary on page 25.

Example 1: *A luxating patella (usually a Congenital Condition manifested in some dog breeds) is considered a Bilateral Condition under the terms of Your Policy. If Your Pet develops and is treated for a luxating patella on his left leg, either prior to the issuance of Your Policy or prior to the end of the 14 day Waiting Period, then this Condition would be considered Pre-existing and would be ineligible for coverage. Because this is considered a Pre-existing Condition, the future Treatment of Your Pet's right leg would then also not be eligible.*

Example 2: *One of the most common orthopedic Conditions for a dog to experience is a tear of the cranial (anterior) cruciate ligament in the knee. It is also a common example of a Bilateral Condition. If a dog tears a cranial cruciate ligament in one knee, there is an extremely high probability that at some future point the other knee will experience the same problem. Because there are two knees, a cranial cruciate tear is considered a Bilateral Condition. If there is an Exclusion placed upon a Policy because a dog tore a cranial cruciate ligament before the Policy was issued, the **other** knee would not be eligible for future coverage of a tear because such a tear is considered a Bilateral Condition. Conversely, if, while a dog is insured, he tears a cranial cruciate ligament for the first time, all expenses related to this tear are eligible for coverage under the Policy for the balance of that Policy Year. However, if the cranial cruciate ligament tears in the other knee in a future Policy Year, just as the original Injury is no longer eligible for coverage, this new Injury would also not be eligible for coverage, as both tears are considered a Bilateral Condition and so are treated as one and the same Condition.*

Example 3: *Another common example of a Bilateral Condition affecting pets is an ear infection. Because each pet has two ears, whatever affects one ear is considered to involve both ears, i.e. an ear infection is considered a Bilateral Condition, even though initially only one ear might be affected. Whether the ear problem is secondary to allergies, or perhaps due to constantly swimming, any Policy restrictions that are applied to one ear will be applicable to both ears. If Your dog suffered from a left ear infection prior to being insured, then an infection in either ear would be considered Pre-existing, not just the original left ear. Similarly, if Your dog experienced its first ear infection during any Policy Year, at the end of the Policy Year, both ears would no longer be eligible for coverage, as an ear infection is considered a Bilateral Condition.*

7. Conditions Related to Excluded Conditions

We do not cover or offer Reimbursement for any loss or claim caused by, or resulting from, any Injury or Illness Conditions or procedures that are excluded under this Policy or to any Conditions related to these Conditions.

Example 1: *Although rare, if Your Pet had an adverse reaction to a Vaccine, because the Vaccine itself is not an eligible Preventive procedure, any Treatment for the Vaccine reaction would also not be eligible for coverage.*

Example 2: *Your Pet has a post - operative complication from being spayed. Because the spay surgery itself is not an eligible Treatment, neither would any Treatment or surgery to correct surgical complication be eligible for coverage.*

Example 3: *Your Pet developed and was treated for diabetes in a previous Policy Year and later developed cataracts in a subsequent Policy Year and these cataracts were deemed by Your Veterinarian to be related to the original Condition of diabetes. Because these cataracts are related to a now excluded Pre-existing Condition, they would be ineligible for coverage.*

8. Corrective Procedures

Corrective procedures as a result of an Injury are covered by this Policy. However, corrective surgical procedures for brachycephalic breeds - (dogs with a compressed facial structure, e.g. purebred or mixed breeds including English and French Bulldogs, Boston Terriers, Boxers, Pugs, Shih Tzus, Lhasa Apsos and Pekingese – among others) - are not eligible for coverage; including, but not limited to, stenotic nares, elongated soft palate, hypoplastic trachea and everted laryngeal sacculles and nasal or skin folds.

9. Cosmetic Procedures

Cosmetic procedures are not considered to be Medically Necessary and are not covered under this Policy. These include (but are not limited to):

cosmetic surgery, debarking, declawing, dewclaw removal, ear cropping, nail trims, grooming, or tail docking.

10. Cremation and/or Burial

In the unfortunate circumstances that Your Pet needs to be humanely euthanized by Your Veterinarian, as a consequence of a Condition that is presently eligible for coverage under Your PHI Direct Policy, then Your Policy will cover the costs of euthanasia. However, any costs for cremation or burial will not be eligible for coverage.

11. Cruciate Ligaments

Any costs for anterior cruciate ligament Treatment is not eligible for coverage until a minimum of 60 days has passed since the inception of the Policy Effective Date.

12. Dental

- a) Preventive Dental including cleaning or polishing of teeth;
- b) Treatment of tooth structure irregularities, improper bites, tooth pulp or root problems and removal of deciduous (non-permanent) teeth (intact or fractured), non-erupted teeth, or teeth affected by cervical neck lesions;
- c) Endodontic (root canal) and orthodontic care; or
- d) Treatment of the teeth and gums (i.e. stomatitis, periodontitis).

13. Inappropriate Care

Costs resulting from neglect, abuse or intentional Injury of Your Pet by You or any member of Your household. Costs resulting from Accidents and/or Illnesses which are a result of not having followed the recommended advice of Your Veterinarian.

14. Innovative Therapies

Any medical practices and Treatments that presently are not considered part of proven and accepted Veterinary medicine, including but not limited to: Regenerative Therapy, Stem Cell Therapy, Prolotherapy, Platelet Rich Plasma

Therapy, Homeopathic Care, Hyperbaric Oxygen Therapy, Osteopathy, and Cryonics.

This also includes any treatments which are permitted to be administered without a veterinary license or the Direct Supervision of a Veterinarian, even though the Treatment may actually be performed by a Veterinarian.

15. Medications Not Covered

Expenses related to Medications, vitamins, supplements and/or non-prescription drugs that do not have a Drug Identification Number (DIN) or a Veterinary Health Product (VHP) number (Canada) or a National Animal Supplement Council (NASC) number (USA).

In order to be eligible for coverage, Medications that have a DIN, VHP or NASC number as part of their product registration, must have been prescribed by a Veterinarian and purchased from a Veterinarian or through a licensed pharmacy, and have been approved by an applicable governmental authority for use by Veterinarians.

16. Non-Emergency Travel Expenses

Travel costs related to making a house call – unless a veterinarian certifies that such a visit is essential in an emergency.

Example 1: *An owner who uses the services of a mobile practice requests a house call. The Veterinarian visits the home and an ear infection is discovered. The ear is cleaned, and Medication is dispensed to the owner. In this scenario, the examination fee, cleaning and Medication are eligible for coverage. However, any mileage or fees related to the Veterinarian making the house call are not.*

Example 2: *An owner makes a frantic call to her mobile Veterinarian because her dog was just hit by a car. The owner is disabled and unable to drive. The mobile Veterinarian rushes over to examine and assess the dog. In this situation, any mileage or house call specific fees related to making this emergency visit are eligible for coverage.*

17. Non-essential Services and Supplies

Expenses related to grooming and grooming supplies, restraint devices including, but not limited to, collars, muzzles and crates; carrying devices including, but not limited to, strollers and pet carriers; pet food, including prescription pet food and regular or medicated bath services. An exception would be for Mitaban baths, which would be covered.

18. Nuclear Incidents

Any claim for loss that arises from a nuclear reaction, radiation, radioactive contamination, or the discharge of a nuclear device or a chemical, biological, biochemical, or electromagnetic weapon, device, agent, or material, whether controlled or uncontrolled, accidental or otherwise.

19. Post-mortem

Any post-mortem tests or procedures.

20. Pre-existing Conditions

A Pre-existing Condition refers to any Condition which first occurred, manifested, displayed signs and/or symptoms of, was treated, diagnosed or has been previously known by You, and/ or Your Veterinarian prior to Your Pet's Policy Effective Date, as stated on Your Declaration Page, or during an applicable Waiting Period. A Pre-existing Condition also includes Conditions previously symptomatic, occurring, diagnosed and/or treated in a prior Policy year, after which, this Condition is no longer eligible for coverage.

Example 1: *If Your Pet was diagnosed by Your Veterinarian to be suffering from skin allergies prior to taking out a PHI Direct Policy, then skin allergies and any Associated Conditions to these allergies (e.g. Ear infections) would be considered Pre-existing and not eligible for coverage.*

Example 2: *If Your Pet developed skin allergies while insured with a PHI Direct Policy, then all Treatment for the allergies and related Conditions would be eligible for coverage until the end of the Policy Year in which they were first claimed.*

In all subsequent Policy Years, skin allergies and Associated Conditions would be considered Pre-existing and ineligible for coverage.

Example 3: *If Your Pet suffers from IVDD (intervertebral disc disease) prior to the Effective Date of Your Policy or prior to the end of the Illness 14 day Waiting Period, then all further episodes of IVDD, regardless of where along the spine the disc protrusion occurs, would be ineligible for coverage.*

21. Repetitive/Compulsive Behaviour

Any medical Condition that arises due to repetitive activity, throughout the life of Your Pet, that results in Your Pet requiring repeated medical Treatment. After (3) three occurrences of separate but similar incidents a Condition will be considered preventable and will be excluded from coverage, (no longer eligible for Reimbursement). Examples include, but are not limited to, the following recurring Conditions: Foreign Body Ingestions, porcupine quill impalement, lacerations, fight/bite wounds, motor vehicle Injuries and Poison ingestions.

22. Reproduction and the Reproductive System

Expenses related to, or complications that arise from, any Illness involving reproduction or the Reproductive System (please refer to the full definition of the Reproductive System in the Glossary on page 28), including, but not limited to:

- a) Pregnancy, queening or whelping;
- b) Any Treatment for mammary tumours;
- c) Aftercare of a litter and other Routine procedures; or
- d) Spaying or neutering or any sterilization procedure.

23. Risky Activities

We don't offer coverage or pay for expenses that ensue from activities such as commercial guarding, organized fighting, the pursuit of prey,

or commercial racing (i.e. greyhound racing). We do provide coverage for dogs used in the recreational hunting of upland birds or waterfowl and recreational activities, including flyball and agility.

24. Transplants

Any costs related to organ or tissue transplants.

25. Unreasonable Veterinary Fees

Your coverage is for the reasonable costs for Medically Necessary Treatment of Your Pet's Accidents and Illnesses. In determining what is Medically Necessary, and what costs are reasonable, We consider whether:

- a) The veterinary fees charged (and claimed for) appear greater than conventional fees charged by an attending/referral practice; and/or
- b) Treatment received may not have been required or may have been excessive when compared with Treatment conventionally undertaken by an attending/referral practice.

Where there is a dispute, We will pay only those veterinary fees deemed reasonable and essential. We will pay only up to a 100% mark-up on the manufacturer's price for prescribed veterinary medicines, exclusive of any dispensing fee charged by Your Veterinarian.

26. Vaccines and Routine/Preventive Care

Expenses related to, or expenses resulting from, complications associated with vaccinations and other Preventive procedures (e.g. microchipping), including, but not limited to, Routine anal gland expression.

27. War Activities

Any loss as a result of an act of force, insurrection or violence for religious, ideological or political reasons, war, riot, civil commotion, revolution or similar event including any act of terrorism of any kind. This Exclusion applies whether or not war has formally been declared.

Reimbursement

Reimbursing Your claims is a priority at PHI Direct.

We will process all Reimbursement Requests – whether simple or complex – as quickly as possible, once We have received all of the required documentation.

A. Claims

In order to process any claim, We require the complete medical history/records associated with Your Pet. You agree to provide to Us all medical history/records associated with Your Pet. You authorize Us, at the time of Your Policy Effective Date and any time thereafter, to contact any veterinary clinic or hospital for the purposes of obtaining all available medical records that exist for Your Pet. You authorize the staff of any veterinary clinic or hospital to release to Us all medical records that exist for Your Pet and, if required, to discuss with Us the Treatment of Your Pet and/or the content contained within Your Pet's medical records. Failure or refusal to disclose a complete medical history for Your Pet when requested may result in the denial of Your claim(s) and/or termination of Your Policy.

If We pay a claim for any Illness or Injury that is not eligible under the Policy terms and conditions, that payment by Us does not waive Our right to apply the terms and conditions of this Policy appropriately to any other submitted claims.

B. Before You Claim

You may have Your claims paid directly to the treating Veterinarian, if an arrangement to do so exists between Us and the treating Veterinarian. If You wish for Us to pay Our portion of the claim directly to the veterinary clinic, please complete the required preauthorization form which can be found on Our website.

C. Reimbursement Request (Claim) Forms

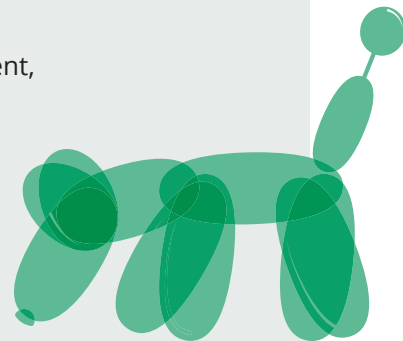
- You can download a claim form at any time from Our website at www.phidirect.com/forms
- Alternately, You may contact Our Member Experience Team at 1-855-600-7072 and We will mail, email, or fax a claim form to You.



D. Before You Submit

To avoid processing delays, please ensure that the Reimbursement Request (claim form) includes all the following:

- Your name, the date, Your Pets' name, Your Policy Number, Your email address and Your preferred telephone number.
- The name of the veterinary hospital;
- The name of the Illness or Injury eligible for Reimbursement, completed by You and/or Your Veterinarian;
- The date You noticed Your Pet was unwell;
- The Treatment dates for Your claim;
- The amount being claimed;
- Answer any other applicable questions on the form; and
- All paid-in-full receipts (*including an itemized breakdown of charges*).



E. Submitting Your Claim

There are three ways that You can submit Your claim to Us:

- You may email it to Us using claims@phidirect.com. (There are many smart phone apps that You can download and use to take a picture of Your Reimbursement Request and supporting documents which You can then email to Us.)
- You may fax it to Us at 1-866-428-6063 or;
- You may mail it to Us at 309 - 1277 Lynn Valley Road, North Vancouver, BC V7J 0A2

F. Our Claims Process

When making any claim, You must follow this process:

- **Financial responsibility:** You must pay Your Veterinarian first for all services and Treatments, and then submit a Reimbursement Request to Us.
- **Fully completed form:** You must submit a fully completed Reimbursement Request (claim form) and supporting invoice(s) for each and every Illness or Injury, for which a claim is made, within 90 days of the Treatment date.
- **Reimbursement:** Once the claim is processed We will reimburse You for all eligible costs, less any applicable Co-insurance and Deductibles, based on the specified amounts and coverage outlined in this Policy.

G. Eligibility of Claims

- We request that We receive all claims within 90 days after the Treatment date, or within 90 days of the date Your Policy terminates, whichever occurs first, to be eligible for Reimbursement.
- If Your claim is submitted by Your veterinary clinic on Your behalf, You are responsible to ensure it is submitted within the eligible time frame.
- Costs of Treatment for any claims must be incurred while Your Policy is in effect, and after any applicable Waiting Periods have expired in order to be eligible for Reimbursement.
- Taxes on veterinary services are included in the amounts eligible to be reimbursed to You.

H. Claims Review/Reassessment

If Your claim is denied, You or the attending Veterinarian may request a review or reassessment. Additional information may be required to assist in the re-evaluation of the denied claim. This includes, but is not limited to, additional medical documentation, laboratory results, a statement from Your Veterinarian who provided Treatment.

I. Ineligible Reimbursements

- We are unable to reimburse You or Your Veterinarian for Conditions excluded by this Policy.
- We are unable to reimburse You or Your Veterinarian for fees related to administrative tasks such as completing forms, filing fees, courier fees, postal fees or charges for sending/delivering medical records, even if Your Veterinarian chooses to include these fees on Your invoice.
- We will not reimburse claims where You did not follow the recommended advice of a Veterinarian. This includes, but is not limited to, medical Conditions such as those preventable by vaccination; prophylactic Medication; or sterilization (spaying and neutering).

J. Reimbursement at Par

Reimbursement for charges that You pay in legal currency of the United States of America will be paid in legal currency of Canada at par, without applying any currency conversion exchange. For example, an invoice of \$800 USD of eligible expenses will be paid at par to You as \$800 CDN less Co-insurance and Deductible.. We do this because Your Premium is paid in Canadian dollars and that Premium is established based upon the cost of Canadian veterinary fees.

K. Insurance Fraud

Insurance Fraud unfairly increases Premiums for all policyholders. If You provide Us or make a claim that involves false, misleading, and/or dishonest information, We may not pay Your claim, We may terminate or void any of Your Policies, and We may be required by law to report it to the government authorities.

Legal Stuff

A. Your Legal Rights and Responsibilities

You want Your coverage to remain in place, so it is vitally important that You understand Your coverage, rights and legal responsibilities.

B. Changes to Your Coverage

1. Changes Made by Us

Unless You make any additional changes, Your Premium and/or coverage features will only change on Your Policy Anniversary Date or Your monthly Premium. You will be notified of any changes by Us, at least 30 days in advance.

2. Application for Changes

You may apply for changes to Your Policy plan at any time. For address changes that affect Your monthly Premium, the change will take effect on Your next Policy monthly billing date following the date We receive Your change request. If any changes impact Your coverage, We will send You a new Declaration Page.

3. Downgrading and Upgrading Your Annual Policy Limit

- i. You can change to one of Our available Policy plans with a higher or lower Annual Policy Limit for Your Accident & Illness Benefits.
- ii. You can decrease Your Annual Policy Limit at any time. Any change will take effect on Your next Policy monthly billing date following the date We receive Your change request. Any Conditions currently being covered will be reduced to align with the lower coverage amount.
- iii. You can increase Your Annual Policy Limit at any time during the first 30 days from the date You purchased Your Policy or during the open enrollment period, which is the 30 days prior to or the first 30 days after Your Policy Anniversary Date. At any time You increase Your Annual Policy Limit, the coverage that applies to any Condition already present will remain at the lower coverage amount.

For example, if Your Pet has an Accident and is undergoing Treatment at the same time as You choose to upgrade Your Annual Policy Limit to Direct 10 (\$10,000 maximum benefits), the limits for any claims related to that Accident will be the lower Direct 5 (\$5,000 maximum benefits) amount.

C. Cancellation

1. Cancelling Your Coverage

- i. You must request cancellation of Your Policy in writing to Us by mail, fax or e-mail, or You may also call Us by phone to request cancellation.
- ii. Cancellation will take effect on the date We received Your cancellation request.
- iii. If Your Pet passes away, We'll automatically backdate Your cancellation to the date on which they passed away.

D. Legal

1. Governing Laws

Where this Policy's provisions are in conflict with the statutes of the province or territory in which this Policy is issued, the statutory provisions shall govern. This Policy shall be interpreted in accordance with the laws of the province or territory in which the Contract of insurance is deemed to have been made.

2. Insurance Contract

Your Contract with Us includes the information that You provided at enrollment for insurance including Your answers to the underwriting questions, this Policy Document, Your Declaration Page, as amended from time to time in accordance with the Policy terms and conditions, any document accompanying the Policy Document when issued, as well as any amendments agreed or provided in writing after the Policy is issued.

This Policy contains a clause that may limit the amount payable.

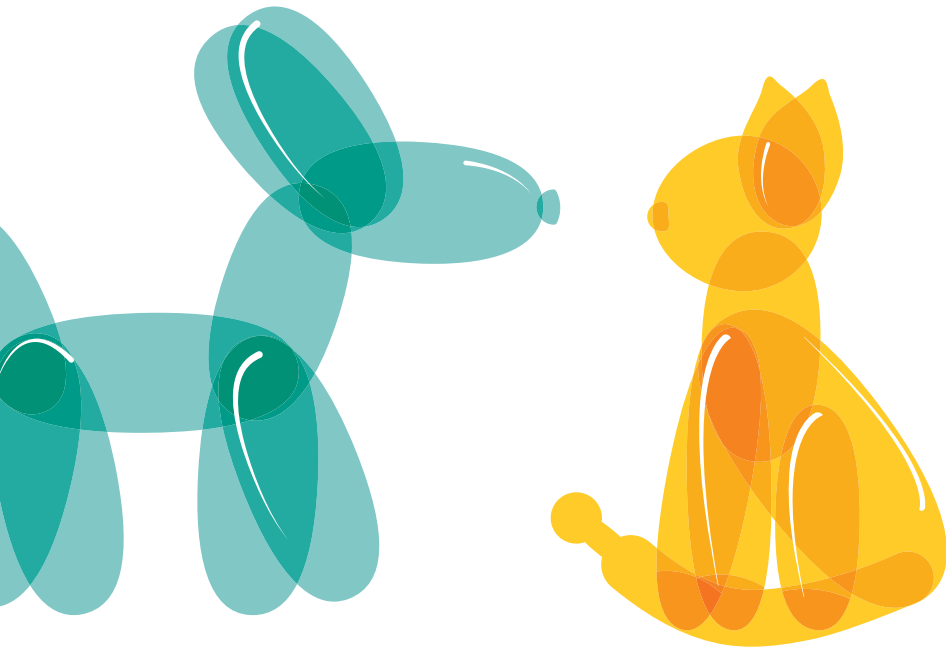
3. Recovery From Third Parties; Subrogation; Reimbursement; Setoff; Other Coverage

- i. If You have any other insurance on specifically described Pets, Our Policy will be considered excess insurance. We will not make payments for claims for which You are entitled to recovery under any other insurance, except for any additional sum that is payable over and above such other insurance and any contribution that We are obliged to make by law.
- ii. If We make a payment to You and You are also entitled to receive a payment from a third party, Our obligation is subrogated to that right. You will help Us recover any payments that were subject to subrogation and reimburse Us to the extent You recover from a third party (up to the amount of Our payments to You). Notwithstanding anything to the contrary in this agreement and without prejudice to any other right or remedy We may have, We may set off or recoup any liability owed to You pursuant to this Policy against any amount We determine, in good faith, that You are liable for to Us, including, without limitation, any overpayments We may have made to You due to subrogation, error, or otherwise.
- iii. We have the right to subrogate. This means that if someone else is found to be responsible for an Accident or Illness for which We pay an amount or assume a

liability, We have the right to legally pursue them, in Your name, to enforce such rights of recovery of any incurred amounts that We paid. You must help Us if We ask You, by executing such documents as are necessary and by cooperating with Us. Your right to recover from Us is not affected by any release from liability entered into by You prior to loss.

4. Limitation of Actions

No suit may be brought against Us until You have fully complied with all terms and conditions of Your Contract. Every action or proceeding against an insurer for the recovery of insurance money payable under a contract is absolutely barred unless commenced within the time limit set out in the *Insurance Act* or other applicable legislation in your province or territory.



Vocabulary Used in this Document

A. Glossary

We all use words differently. To ensure You understand exactly what We mean, We have provided specific definitions for the important key words used throughout this Policy.

1. **Accident**

A sudden event involving an external force, or any otherwise unexpected or unforeseen incident known to have occurred, which causes Injury to Your Pet and is independent of all other Conditions. For the purposes of this Policy, Cruciate Ligaments tears, Patellar Luxation, Elbow Dysplasia, Hip Dysplasia, and Lameness are considered to be Illness medical Conditions and not Accidents.

2. **Alternative Therapies**

Acupuncture, chiropractic services, veterinary orthopedic manipulation (VOM), hydrotherapy, massage therapy, physiotherapy, and laser Treatments provided by, or under the Direct Supervision of, a licensed Veterinarian and related to an eligible Accident or Illness.

3. **Annual Policy Limit**

The amount of pet insurance coverage available for eligible claims in a Policy Year. Your PHI Direct Pet Health Insurance Policy has an Annual Policy Limit of either \$5,000 or \$10,000.

4. **Annual Policy Period**

Each 12-month period that begins at 12:00 AM on the date Your Policy comes into effect (Effective Date) and ends at 11:59 PM on the day before the Policy Anniversary Date.

5. **Associated Condition**

Any medical Condition or complication arising from another Condition for which Your Pet

showed signs or symptoms that are directly related to, and caused by, the primary medical Condition.

6. **Behaviour, Behavioural**

Any Condition which, when viewed within the context, frequency and intensity of the behaviour, is considered to be a change in the normal behaviour of Your Pet. This change in behaviour, resulting from factors such as anxiety or fear, may result in destructive, self-destructive or aggressive patterns of behaviour. This would include any Injuries which occur as a result of Your Pet's Behaviour, including but not limited to recurrent Dietary Indiscretions, recurrent Foreign Body Ingestions, recurrent aggressive Behaviour, or recurrent oral toxicities. Any change in behaviour attributed to a lack of obedience would not be considered a Behavioural Condition under this definition.

7. **Bilateral Condition**

Any Condition affecting body parts of which Your Pet has two, one on each side of the body (examples: cruciate ligaments, hip dysplasia, ear or eye problems).

8. **Certified Applied Animal Behaviorist**

A Certified Applied Animal Behaviourist (CAAB) is an individual who has been certified by the Animal Behaviour Society (North America) "ABS-NA" as having met the minimum standards of education, experience and ethics required by a professional animal behaviourist as set forth by the ABS-NA.

9. Co-insurance

The portion of Your claim for which You are responsible for paying before Your Deductible is applied. All PHI Direct Policies have an applicable 20% Co-insurance, meaning you are responsible for paying 20% of all eligible expenses, after which your annual Deductible (or any remaining balance of Your annual Deductible if You had any previous claims in a Policy Year) is applied. We then reimburse you for the balance of all eligible expenses. Ineligible expenses are not part of Your Co-Insurance and are fully Your responsibility.

10. Condition

All manifestations of clinical signs resulting from the same diagnostic classification or disease process, regardless of the number of incidents or areas of the body affected or whether they are masked or controlled by Treatment or Medication. For example, arthritis in Your Pet's legs, back and neck is all considered one Condition (i.e. arthritis).

11. Congenital

A Congenital Condition is a medical Condition with which a pet has been born, but may not manifest or present until later in life. An example of a Congenital Condition that is evident at or close to birth would be a cleft palate. An example of a Congenital Condition that may not be evident for many months after birth would be a portal shunt (which is a liver vascular concern that usually requires Treatment). Congenital Conditions are eligible for coverage, as long as they would not be noted on a thorough Physical Exam prior to the issuance of an insurance Policy.

12. Contract (Also called Policy)

Your insurance agreement with Us as evidenced by the information You provided at enrollment for insurance including Your answers to the underwriting questions, this Policy Document, Your Declaration Page as amended from time to time, the Statutory Conditions and any document attached to this Policy when issued, as well as any amendments agreed or provided in writing after the Policy is issued. Please keep all Policy Documents together in a safe place.

13. Declaration Page

The Policy page which identifies the Policy Number, Your name and information, Your Pet's name and information, the Coverage Plan, the Policy Effective Date, and the other information listed on page 4 of this document.

14. Deductible

A fixed amount which is deducted from Your claim after Your Co-insurance amount has been applied. This amount is applied annually when You make a claim, and is deducted from the amount You are reimbursed. All PHI Direct policies have a \$200 once a year Deductible.

15. Dental

Any Condition for which a Veterinarian recommends any form of Treatment for the teeth and/or gums, including, but not limited to, scaling, polishing, extractions, orthodontic and endodontics, whether due to Illness or trauma.

16. Dietary Indiscretion

Ingestion of a food item, such as the ingestion of human food, rotting food or garbage, which causes Illness or Injury, or ingestion of a non-food item which does not require active Treatment in order for it to pass through or be ejected from the gastrointestinal system. The consequences of Dietary Indiscretion are considered to be an Illness under Your PHI Direct Policy. If Your Pet has multiple incidents (three) of Dietary Indiscretion, then this Condition will be subject to an Exclusion under the Policy.

17. Direct Supervision

Refers to guidance or direction provided to a veterinary health team member by a licensed Veterinarian who is in the same building as the team member providing the service in question.

18. Effective Date

When You apply for insurance coverage for Your Pet, the date upon which a Policy is issued is referred to as the Effective Date.

19. Exclusion

An Illness, Injury or other Condition that is not eligible for coverage under this Policy, whether temporarily or permanently, either because the Condition is not eligible under the terms and conditions of this Policy or because the Condition existed prior to the Policy Effective Date or the expiry dates of the applicable Waiting Periods. Whether an Exclusion is a Temporary Exclusion (see Temporary Exclusion) or Permanent Exclusion (see Permanent Exclusion) would be determined by the individual circumstances of that Condition in that pet.

20. Foreign Body Ingestion

An incident in which Your Pet has ingested a non-food item which will not pass through or be ejected from the gastrointestinal system without the assistance of veterinary Treatment (e.g. medical or surgical intervention). Foreign Body Ingestion will be considered an Accident under this Policy, unless it is the result of a known Behavioural problem which is Pre-existing. For example, if Your dog has existing separation anxiety and swallows foreign material in the process of destroying household furnishings, then the ingestion of this foreign material would be excluded from coverage.

21. Fraud

Any intentionally dishonest act – such as providing information You know to be false - done for the purposes of receiving payment, better coverage, or gaining something else of value from Your insurance provider. Any Fraud We discover immediately voids Your Policy agreement and permits Us to terminate Your coverage. Serious acts of Fraud may also lead Us to pursue legal action.

22. Hereditary

Hereditary problems are medical Conditions that have, at least in part, a genetic basis and as such can be passed from one pet generation to the next. Some Hereditary problems can be obvious either at birth or a young age, such as components of the Brachycephalic Syndrome

in certain dog breeds or cryptorchidism (which occurs when one or both testicles do not descend into the scrotal sac within a couple of weeks after birth). Others, however, may not be evident for months or years, such as hip dysplasia. Hereditary Conditions are eligible for coverage, as long as they would not be noted on a thorough Physical Exam prior to the issuance of an insurance Policy.

23. Illness, Ill

Sickness, disease and any changes to Your Pet's normal healthy state. For the purposes of Your Policy, the definition of Illness does not include Behavioral Problems or Dental Problems.

24. Injury, Injured

Damage to one or more parts of Your Pet's body as the result of an external unexpected event that is not related to an internal Illness Condition.

25. Medical Emergency

An Accident or Illness that requires immediate life-saving Treatment prescribed by a licensed Veterinarian.

26. Medically Necessary

Required care that a Veterinarian prescribes and performs that is directly related to the resolution or control of the medical Condition being treated.

27. Medication

Any medicine legally prescribed and recommended by Your Veterinarian and approved by an applicable governmental authority for use by Veterinarians.

28. Our Share

(See Reimbursement)

29. Pet

Your dog or cat named in this Policy.

30. Permanent Exclusion

An abnormal health state, Condition or other limitation ineligible under this Policy regardless of subsequent Treatment.

31. Physical Exam

Refers to a thorough examination of Your Pet conducted by a licensed Veterinarian of all of the body systems visible and palpable externally. Utilizing direct inspection, palpation, percussion and auscultation Your Veterinarian would determine the condition of the eyes, ears, nose, teeth, gums and mouth, skin and haircoat, gastrointestinal system, musculoskeletal system, abdomen, urogenital system, heart and lungs, as well as an opinion of Your Pet's body condition score. As a result of this examination, Your Veterinarian would note all normal and abnormal Conditions in Your Pet's medical records. In addition to the actual Physical Exam, Your Veterinarian would also be expected to record a history from You about Your Pet's activity, diet and any changes from Your Pet's normal condition.

32. Poison

A chemical substance that when ingested in inappropriate amounts can cause Injury or death. For the purposes of this coverage a Poison does not include Dietary Indiscretion, such as the ingestion of human food, rotting food or garbage. Examples of a Poison include warfarin, strychnine, metaldehyde, prescription drugs or illicit drugs, as well as specific plants that are identified and known to be toxic (e.g. lilies).

33. Policy, Policy Document(s), Document(s)

(See Contract)

34. Policy Anniversary Date

The first anniversary of Your Policy Effective Date and each anniversary thereafter.

35. Policy Effective Date

The date Your Contract with Us comes into effect. The Waiting Period applies after the Policy Effective Date in the First Policy Year. This date is set out on Your Declaration Page.

36. Policy Number

The specific Policy Number We use to identify You and the coverage You have for Your Pet. Please note that We can have multiple Policy Numbers for You, if You have more than one coverage option with Us. The Policy Number appears on Your Declaration Page.

37. Policy Year

Each 12-month period that ends at 11:59 PM the day before the Policy Anniversary Date.

38. Pre-existing Condition

A Condition which first occurred or showed clinical signs before Your Pet's coverage started or within the Policy Waiting Period, with or without a confirmed diagnosis. Pre-existing will include Conditions for which a Veterinarian provided medical advice, about which relevant clinical signs were noted in the medical records; were previously treated by a Veterinarian or associated with treatments provided through a shelter, breeder, or other resources, including the Pet owner; or based on information from verifiable sources, Your Pet had signs or symptoms directly related to the Condition for which a claim is being made. Pre-existing Conditions would include those Conditions that have occurred in the past and are not presently being manifested clinically, as the Condition is being controlled through the use of appropriate diet or medication.

39. Premium

Your insurance Premium is the monthly payment You make to Us, Your insurance company - to keep Your Policy active and coverage in place.

40. Reimbursement

The portion of total covered claim costs that We pay.

41. Reimbursement Request (Also called claim)

An application for Reimbursement that You submit to Us.

42. Reproductive System

For the purposes of eligibility for coverage for this insurance Policy the Reproductive System in either female dogs or cats is viewed to include the ovaries, uterus, uterine tubes, cervix, vagina and mammary glands. In male dogs or cats, the Reproductive System includes the testicles, prostate gland, vas deferens and penis.

43. Routine or Preventive Care

Veterinary Treatment that is for prevention or early detection (when no signs or evidence exist) of Illness or diseases, including but not limited to: Vaccinations, titer tests, Genetic / DNA tests, diagnostic tests, internal or external parasite prevention.

44. Statutory Conditions

Conditions that by law must be included in Your Contract.

45. Temporary Exclusion

An abnormal health state, Condition or other limitation that is ineligible for coverage for a period of time, that may become eligible under this Policy, provided that a Veterinarian certifies that Your Pet has completely recovered.

46. Treatment

Medical care that a Veterinarian provides for Your Pet as the result of an Illness or Accidental Injury.

47. Vaccine

Immunizations against diseases known to be preventable through the administration of a vaccine, as set out and recognized by the Canadian Veterinary Medical Association.

48. Veterinarian

A medical professional who is properly licensed in Your Province or the Province/ State where Treatment is being provided, to provide medical Treatment for Your Pet and who is acting within the scope of their license and their license is in good standing.

49. Waiting Period

The period of time after Your Policy Effective Date that must elapse before there is coverage for an Accident, Illness or other event. The Waiting Periods for Accident or Illness begin at 12:00 a.m. on the Effective Date. Full coverage begins when the Waiting Periods have expired. There is no coverage for an Accident or other event that occurs before the expiry of the applicable Waiting Period. There is no coverage for an Illness, if the onset of the Illness is before the expiry of the applicable Waiting Period, or if there are clinical signs or symptoms during those durations, even if the Treatment for the Accident or Illness occurs after the expiry of the applicable Waiting Period.

50. We, Our, Us and other derivations

PHI Direct, Omega General Insurance Company, and Canada Pet Health Insurance Services, Inc., as applicable.

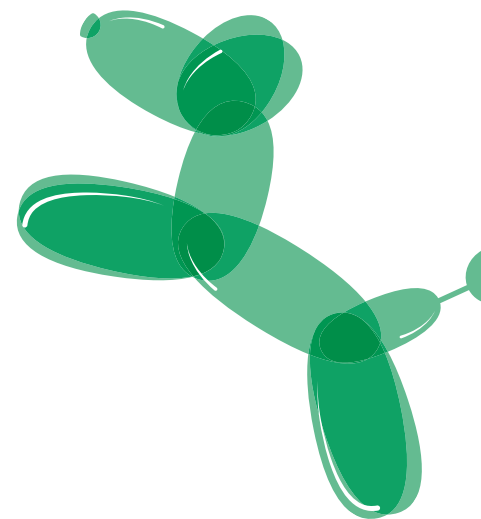
Canada Pet Health Insurance Services, Inc. handles many of the administrative processes for this insurance on behalf of the applicable underwriter. These terms should be interpreted in that context.

51. You, Your

The insured person named in the Policy as the policyholder who is the party to the insurance Contract with Us.

52. Your Share

(See Co-insurance)





**Please let us know if we can
be of any assistance:**

Call us toll free at 1-855-600-7072

Email us at care@phidirect.com

Visit us at

www.phidirect.com

**PHI Direct Pet Health Insurance policies are underwritten by:
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