

\*2649 NY 1106\*



# NEW YORK

## BOAT AND PERSONAL WATERCRAFT POLICY



Form No. 2649 NY (11/06)

***PROGRESSIVE***<sup>®</sup>



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## NEW YORK BOAT AND PERSONAL WATERCRAFT POLICY

If **you** pay **your** premium on time, **we** will provide the insurance described in this policy.

### YOUR DUTIES

#### WHAT YOU MUST DO IN CASE OF AN ACCIDENT OR LOSS

##### Notify Us As Soon As Practicable

If a person or **watercraft** covered by this policy is involved in an **accident** or **loss** for which this insurance may apply, report it to **us** or one of **our** licensed agents within twenty-four (24) hours or as soon as practicable by calling **us** at **1-800-274-4499**.

**For coverage to apply under this policy, you or an insured person must promptly report each accident or loss even if you or an insured person is not at fault.**

Failure to report an **accident** will not invalidate a claim made by **you** or the person seeking coverage if it is shown not to have been reasonably possible to give such notice within the time prescribed and that notice was given as soon as reasonably possible.

**You** should provide **us** with the following **accident** or **loss** information as soon as it is available:

- time;
- place;
- circumstances of the **accident** or **loss** (for example, how the accident happened and weather conditions);
- names and addresses of all persons involved; and
- names and addresses of any witnesses.

**You** or an insured person should also notify the United States Coast Guard, police, or other civil authority, in accordance with applicable laws and regulations, within twenty-four (24) hours, or as soon as practicable, if a **covered watercraft** is involved in an **accident** or **loss**.

For coverage to apply under this policy, a person claiming coverage must:

- cooperate with **us** in any matter concerning a claim or lawsuit;
- provide any written proof of loss **we** may reasonably require;
- allow **us** to take signed and recorded statements, including sworn statements and examinations under oath, and answer all reasonable questions **we** may ask as often as **we** may reasonably require;
- promptly send **us** any and all legal papers relating to any claim or lawsuit;
- attend hearings and trials as **we** require;
- take reasonable steps after a **loss** to protect a **covered watercraft** from further **loss**. **We** will pay reasonable expenses incurred in providing that protection. If **you** fail to do so, any further damages will not be covered under this policy;

- prepare an inventory of all damaged or stolen personal property, setting forth, in detail, the quantity, description, age, replacement cost, actual cash value, and amount of the damage or **loss**. All bills, receipts and related documents that support the values described in the inventory must be included if reasonably available;
- allow **us** to have the damaged **covered watercraft, non-owned watercraft**, or any other property that may be covered under this policy, inspected and appraised before its repair or disposal;
- submit to medical examinations at **our** expense by doctors **we** select as often as **we** may reasonably require;
- authorize **us** to obtain medical and other records; and
- with respect to a claim under Part III - Uninsured/Underinsured Boater Coverage, perform any additional duties set forth in that Part.

### GENERAL DEFINITIONS

Except as otherwise defined in this policy, terms appearing in boldface, whether in the singular, plural, or possessive, will have the following meaning:

1. **"Accident"** means a sudden, unexpected, and unintended occurrence.
2. **"Bodily injury"** means bodily harm, sickness, or disease, including death that results from bodily harm, sickness, or disease. **"Bodily injury"** does not include any sexually transmitted disease transmitted by an **insured person**.
3. **"Business"** includes a trade, profession, or occupation, other than tournament fishing.
4. **"Covered watercraft"** means:
  - a. any **watercraft** shown on the **Declarations Page**, unless **you** have asked **us** to delete that **watercraft** from the policy;
  - b. any additional **watercraft** on the date **you** become the **owner** if:
    - (i) **you** acquire the **watercraft** during the policy period shown on the **Declarations Page**;
    - (ii) **we** insure all **watercraft owned by you**; and
    - (iii) no other insurance policy provides coverage for that **watercraft**.

If **we** provide coverage for a **watercraft you** acquire in addition to any **watercraft** shown on the **Declarations Page**, **we** will provide the broadest coverage, other than Total Loss Replacement/Purchase Price Coverage or Agreed Value Coverage, which **we** provide for any **watercraft** shown on the **Declarations Page**. **We** will provide that coverage for a period of thirty (30) days after **you** become the **owner**. **We** will not provide coverage after this thirty (30) day period, unless within this period **you** ask **us** to insure the additional **watercraft**. If the broadest coverage is Total Loss Replacement/Purchase Price Coverage or Agreed Value Coverage, **we** will provide basic Comprehensive and Collision Coverage for the additional **watercraft** instead of these coverages. If **you** add any coverage to this policy or increase **your** limits, these changes to **your** policy will not become effective until after **you** ask **us** to add the coverage or increase **your** limits; and

- c. any replacement **watercraft** on the date **you** become the **owner** if:
  - (i) **you** acquire the **watercraft** during the policy period shown on the **Declarations Page**;

(ii) the **watercraft** that **you** acquire replaces one shown on the **Declarations Page**; and

(iii) no other insurance policy provides coverage for that **watercraft**.

If the **watercraft** that **you** acquire replaces one shown on the **Declarations Page**, it will have the same coverage, other than Total Loss Replacement/Purchase Price Coverage or Agreed Value Coverage, as the **watercraft** it replaces. If the replaced **watercraft** had Total Loss Replacement/Purchase Price Coverage or Agreed Value Coverage, **we** will provide basic Comprehensive and Collision Coverage for the replacement **watercraft** instead of these coverages. **You** must ask **us** to insure a replacement **watercraft** within thirty (30) days after **you** become the **owner** if **you** want to continue any coverage **you** had under Part IV - Physical Damage Coverage. If the **watercraft** replaced did not have coverage under Part IV - Physical Damage Coverage, **you** may ask **us** to add coverage for the replacement **watercraft**. However, if **you** add coverage under Part IV - Physical Damage Coverage, it will not become effective until after **you** ask **us** to add the coverage. If **you** add any other coverage to this policy or increase **your** limits, it will not become effective until after **you** ask **us** to add the coverage or increase **your** limits.

5. "**Declarations Page**" means the document from **us** listing:
  - a. the coverages **you** have elected;
  - b. the limit for each coverage;
  - c. the cost for each coverage;
  - d. the specified **watercraft** covered by this policy; and
  - e. other information applicable to this policy.
6. "**Loss**" means sudden, direct and accidental loss or damage.
7. "**Marine electronics**" means electronic devices used for marine navigation or marine communication including, but not limited to, portable or handheld devices such as GPS.
8. "**Motor**" means a motor or motors owned by **you** and designed to propel a **covered watercraft**, including the following parts and accessories when supplied by the manufacturer:
  - a. remote controls;
  - b. electric harnesses;
  - c. fuel containers; and
  - d. batteries.
9. "**Non-owned watercraft**" means any **watercraft** that is not **owned** by **you**, a **relative**, or the named insured's non-resident spouse.
10. "**Occupying**" means in, on, entering, exiting or proximate to a **watercraft** or **trailer**. "**Occupying**" includes being towed by a **watercraft** while the person is on a wake board, knee board, tube, air chair or water skis.
11. "**Owned**" means the person:
  - a. holds legal title to the **watercraft**;
  - b. has legal possession of the **watercraft** that is subject to a written security agreement with an original term of six (6) months or more; or
  - c. has legal possession of the **watercraft** that is leased to that person under a written agreement for a continuous period of six (6) months or more.

12. **“Owner”** means any person who, with respect to a **watercraft**:
  - a. holds legal title to the **watercraft**;
  - b. has legal possession of the **watercraft** that is subject to a written security agreement with an original term of six (6) months or more; or
  - c. has legal possession of the **watercraft** that is leased to that person under a written agreement for a continuous period of six (6) months or more.
13. **“Permanent equipment”** means equipment permanently installed on a **covered watercraft** using bolts or brackets, including slide-out brackets. **“Permanent equipment”** includes, but is not limited to, permanently installed:
  - a. ship-to-shore radios;
  - b. depth finders;
  - c. loran and GPS systems;
  - d. fish finders;
  - e. radar and sonar systems; and
  - f. auxiliary trolling motors.
14. **“Portable boating equipment”** means detachable boating equipment owned by **you** and customarily kept in or on a **covered watercraft** for the maintenance or use of the **watercraft**. **“Portable boating equipment”** includes, but is not limited to:
  - a. anchors;
  - b. oars;
  - c. sails;
  - d. tarpaulins;
  - e. extra fuel tanks;
  - f. portable cook stoves;
  - g. safety and life-saving equipment;
  - h. deck chairs;
  - i. water skis and other water sports equipment intended to be towed by a **watercraft**, including, but not limited to, wake boards, knee boards, tubes and air chairs; and
  - j. portable **marine electronics**.
15. **“Property damage”** means physical damage to, destruction of, or loss of use of, tangible property.
16. **“Relative”** means a person residing in the same household as **you**, and related to **you** by blood, marriage, or adoption, including a ward, stepchild, or foster child. **Your** unmarried dependent children temporarily away from home will be considered residents if they intend to continue to reside in **your** household.
17. **“Seaworthy”** means fit to withstand the foreseeable and expected conditions of weather, wind, seas and the rigors of normal and foreseeable use.
18. **“Trailer”** means a non-motorized trailer owned by **you** which is designed to be towed on public roads by a land motor vehicle and designed for the transportation of a **covered watercraft**.
19. **“Watercraft”** means a boat or other craft that is designed for use on water and has a valid manufacturer or state-assigned hull identification number.
20. **“We”, “us”, and “our”** mean the company providing the insurance, as shown on the **Declarations Page**.



21. “**You**” and “**your**” mean:

- a. a person or persons shown as a named insured on the **Declarations Page**; and
- b. the spouse of a named insured if residing in the same household.

## **PART I - LIABILITY TO OTHERS**

### **INSURING AGREEMENT - LIABILITY TO OTHERS**

Subject to the Limits of Liability, if **you** pay the premium for liability coverage, **we** will pay damages, other than punitive or exemplary damages, for **bodily injury** and **property damage** for which an **insured person** becomes legally responsible because of an **accident** arising out of the ownership, maintenance, or use of a **watercraft** or **trailer**. Damages include prejudgment interest awarded against an **insured person**.

**We** will settle or defend, as **we** consider appropriate, any claim for damages covered by this Part I. This applies even if the claim or suit is groundless or false.

### **ADDITIONAL DEFINITION**

When used in this Part I, whether in the singular, plural or possessive, “**insured person**” means:

- a. **you** or a **relative** with respect to an **accident** arising out of the ownership, maintenance, or use of a **covered watercraft** or **trailer**;
- b. any person with respect to an **accident** arising out of that person’s use of a **covered watercraft** or **trailer** with the permission of **you** or a **relative**;
- c. any person or organization with respect only to the vicarious liability for the acts or omissions of a person described in a or b above; and
- d. any Additional Interest shown on the **Declarations Page** with respect only to its liability for the acts or omissions of a person described in a or b above.

### **ADDITIONAL PAYMENTS**

In addition to **our** limit of liability, **we** will pay for:

1. all expenses that **we** incur, and all costs taxed against the **insured person**, in the settlement of any claim or defense of any lawsuit;
2. interest accruing after entry of judgment, until **we** have paid or tendered that portion of the judgment that does not exceed **our** limit of liability. This does not apply if **we** have not been given notice of suit or the opportunity to defend an **insured person**;
3. the premium on any appeal bond or attachment bond required in any lawsuit **we** defend. **We** have no duty to purchase a bond in an amount exceeding **our** limit of liability, and **we** have no duty to apply for or furnish these bonds;
4. up to \$250 for a bail bond required because of an **accident** arising out of the ownership, maintenance, or use of a **watercraft** by an **insured person**. **We** have no duty to apply for or furnish this bond;
5. expenses incurred by the **insured person** for first aid at the time of the **accident**; and
6. reasonable expenses, including loss of earnings up to \$200 per day, incurred at **our** request.

**EXCLUSIONS - READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART I.**

Coverage under this Part I, including **our** duty to defend, does not apply to:

1. **bodily injury** or **property damage** arising out of the ownership, maintenance, or use of a **watercraft** or **trailer** while being used for commercial or **business** purposes;
2. **bodily injury** or **property damage** arising out of the ownership, maintenance, or use of a **watercraft** or **trailer** while being used in any illegal transportation or trade;
3. any liability assumed by an **insured person** under any contract or agreement;
4. **bodily injury** to an employee of an **insured person** arising out of or within the course of employment, except for domestic employees if benefits are neither paid nor required to be provided under workers' compensation, disability benefits, or similar laws;
5. **bodily injury** or **property damage** resulting from, or sustained during practice or preparation for:
  - a. any pre-arranged or organized racing, stunting, speed, or demolition contest or activity; or
  - b. any driving activity conducted on a permanent or temporary racetrack or race-course.

However, this exclusion does not apply to **bodily injury** or **property damage** resulting from the use of a sailboat in any pre-arranged or organized racing or speed contest, or in practice or preparation for any such contest;

6. **bodily injury** or **property damage** due to a nuclear reaction or radiation;
7. **bodily injury** or **property damage** for which insurance is afforded under a nuclear energy liability insurance contract issued by:
  - a. American Nuclear Insurers;
  - b. Mutual Atomic Energy Liability Underwriters;
  - c. Nuclear Insurance Association of Canada;or any of their successors, subsidiaries, or assigns;
8. the extent the Federal Tort Claims Act provides coverage and protection when the **covered watercraft** is being operated in the course of employment by an agent, servant and/or employee of the United States government or of any U.S. territory, possession, political subdivision, agency, or other independent governmental corporation;
9. **bodily injury** or **property damage** caused by an intentional act of an **insured person** or at the direction of an **insured person**, even if the actual injury or damage is different than that which was intended or expected, unless the intentional act was reasonably taken to prevent **bodily injury** to another;
10. **property damage** to any property owned by, rented to, being transported by, used by, or in the charge of an **insured person**. However, this exclusion does not apply to a launching ramp, dock, mooring device, or boat storage house rented by **you** and damaged by a **covered watercraft** or **trailer**;
11. **property damage** sustained by the spouse of an **insured person**. However, this exclusion does not apply to any coverage to a spouse if named as a third-party defendant in a lawsuit brought by his or her spouse against another party;

12. **bodily injury** or **property damage** resulting from a **relative's** operation or use of a **watercraft** or trailer **owned** by **you** or a person who resides with **you**, other than a **covered watercraft** or **trailer** as defined in the "General Definitions" section of this policy;
13. **bodily injury** or **property damage** resulting from **your** operation or use of a **watercraft owned** by **you**, other than a **covered watercraft**;
14. **bodily injury** or **property damage** arising out of the ownership, maintenance or use of any **covered watercraft** or **trailer** while rented to others;
15. **bodily injury** or **property damage** arising out of para-sailing, kite skiing, or any other activity involving a device designed for flight;
16. **bodily injury** or **property damage** that occurs because a **covered watercraft** is not in **seaworthy** condition;
17. **bodily injury** or **property damage** arising out of an **accident** involving a **watercraft** or **trailer** while being towed by or carried by a land motor vehicle. However, this exclusion does not apply to **bodily injury** or **property damage** arising out of an **accident** occurring while the **covered watercraft** is being launched into or removed from the water;
18. payment for **bodily injury** or any other payment or obligation to any person eligible to receive any benefits required to be provided by **you** under the Jones Act or Federal Longshoremen's and Harbor Workers' Compensation Act;
19. **bodily injury** or **property damage** arising out of an **accident** while using a **watercraft** as a primary or permanent residence;
20. **bodily injury** or **property damage** arising out of the ownership, maintenance, or use of any **watercraft** or **trailer owned** by **you** or furnished or available for **your** regular use, other than a **covered watercraft** or **trailer** for which this coverage has been purchased;
21. **bodily injury** or **property damage** arising out of the ownership, maintenance, or use of any **watercraft** or **trailer owned** by a **relative** or furnished or available for the regular use of a **relative**, other than a **covered watercraft** or **trailer** for which this coverage has been purchased. This exclusion does not apply to **your** maintenance or use of such **watercraft** or **trailer**; or
22. **bodily injury** or **property damage** caused by, or reasonably expected to result from, a criminal act or omission of an **insured person**. This exclusion applies regardless of whether the **insured person** is actually charged with, or convicted of, a crime. For purposes of this exclusion, criminal acts or omissions do not include traffic violations.

## LIMITS OF LIABILITY

The limit of liability shown on the **Declarations Page** for "each accident" is the most **we** will pay regardless of the number of:

1. claims made;
2. **covered watercraft**;
3. **insured persons**;
4. lawsuits brought;
5. **watercraft** involved in the **accident**;
6. premiums paid; or
7. **trailers**.

If the **Declarations Page** shows that “combined single limit” or “CSL” applies, the amount shown is the most **we** will pay for the total of all damages resulting from any one **accident**. However, without changing this total “each accident” limit of liability, **we** will comply with any law that requires **us** to provide any separate limits.

If **your Declarations Page** shows a split limit:

1. the amount shown for “each person” is the most **we** will pay for all damages due to **bodily injury** to one person;
2. subject to the “each person” limit, the amount shown for “each accident” is the most **we** will pay for all damages due to **bodily injury** sustained by two or more persons in any one **accident**; and
3. the amount shown for “property damage” is the most **we** will pay for the total of all **property damage** for which an **insured person** becomes liable as a result of any one **accident**.

The “each person” limit of liability includes the total of all claims made for **bodily injury** and all claims of others derived from such **bodily injury**, including, but not limited to, emotional injury or mental anguish resulting from the **bodily injury** of another or from witnessing the **bodily injury** to another, loss of society, loss of companionship, loss of services, loss of consortium, and wrongful death.

If **you** are legally required to pay for the cost of any attempted or actual raising, removal, or destruction of the wreckage of a **covered watercraft**, **we** will pay under this Part I up to the limit of liability for **property damage**. However, if Wreckage Removal Coverage applies under Part IV - Physical Damage Coverage of this policy, then **we** will pay for the cost of any attempted or actual raising, removal or destruction of the wreckage of a **covered watercraft** pursuant to the limits set forth in the Wreckage Removal Coverage.

No one will be entitled to duplicate payments for the same elements of damages.

Any payment to a person under this Part I shall be reduced by any payment to that person under Part III - Uninsured/Underinsured Boater Coverage.

## **OTHER INSURANCE**

If there is any other applicable liability insurance or bond, **we** will pay only **our** share of the damages. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits. However, any insurance **we** provide for liability arising out of the ownership, maintenance or use of a **watercraft**, other than a **covered watercraft** or **trailer**, shall be excess over any other collectible insurance, self-insurance, or bond.

## **PART II - MEDICAL PAYMENTS COVERAGE**

### **INSURING AGREEMENT - MEDICAL PAYMENTS COVERAGE**

Subject to the Limits of Liability, if **you** pay the premium for Medical Payments Coverage, **we** will pay for reasonable and necessary expenses, incurred within three (3)

years from the date of an **accident**, for medical and funeral services because of **bodily injury**:

1. sustained by an **insured person**;
2. caused by an **accident**; and
3. arising out of the ownership, maintenance, or use of a **watercraft** or **trailer**.

## **ADDITIONAL DEFINITION**

When used in this Part II, whether in the singular, plural or possessive:

**"Insured person"** means:

- a. **you** or a **relative**:
  - (i) while **occupying** a **watercraft** or **trailer**; or
  - (ii) when struck by a **watercraft** or **trailer** while not **occupying** a **watercraft**; and
- b. any other person while **occupying** a **covered watercraft** or **trailer** with the permission of **you** or a **relative**.

## **EXCLUSIONS - READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART II.**

Coverage under this Part II does not apply to **bodily injury**:

1. sustained by any person while **occupying** a **watercraft** or **trailer** while being used for commercial or **business** purposes;
2. sustained by any person while **occupying** a **watercraft** or **trailer** while being used in any illegal transportation or trade;
3. if workers' compensation benefits, or similar benefits, are available for the **bodily injury** under any state, federal, or maritime law;
4. arising out of an **accident** involving a **watercraft** or **trailer** while being used by a person while employed or engaged in the **business** of selling, leasing, repairing, docking, mooring, storing, servicing, delivering, or testing **watercraft** or **trailers**. However, this exclusion does not apply to **you**, a **relative**, or an agent or employee of **you** or a **relative**, except paid captain and crew, when using a **covered watercraft** or **trailer**;
5. resulting from, or sustained during practice or preparation for:
  - a. any pre-arranged or organized racing, stunting, speed, or demolition contest or activity; or
  - b. any driving activity conducted on a permanent or temporary racetrack or race-course.

However, this exclusion does not apply to **bodily injury** resulting from the use of a sailboat in any pre-arranged or organized racing or speed contest, or in practice or preparation for any such contest;

6. due to a nuclear reaction or radiation;
7. for which insurance is afforded under a nuclear energy liability insurance contract issued by:
  - a. American Nuclear Insurers;
  - b. Mutual Atomic Energy Liability Underwriters;

- c. Nuclear Insurance Association of Canada;  
or any of their successors, subsidiaries, or assigns;
8. to the extent the Federal Tort Claims Act provides coverage and protection when the **covered watercraft** is being operated in the course of employment by an agent, servant and/or employee of the United States government, its territories, possessions, political subdivisions, agencies or other independent governmental corporations;
9. that is intentionally inflicted on an **insured person** at that person's request, or is self-inflicted, unless the intentional act is reasonably taken to prevent **bodily injury** to another;
10. sustained by any person while **occupying a covered watercraft or trailer** without the express or implied permission of **you** or a **relative**;
11. sustained by **you** or a **relative** while **occupying a non-owned watercraft** without the express or implied permission of the **owner**;
12. sustained by **you** while **occupying any watercraft owned by you**, other than a **covered watercraft**;
13. sustained by any person while **occupying a covered watercraft or trailer** while rented to others;
14. arising out of para-sailing, kite skiing, or any other activity involving a device designed for flight;
15. sustained by any person while a **watercraft or trailer** is being towed by or carried by a land motor vehicle;
16. that occurs because the **covered watercraft** is not in **seaworthy** condition;
17. arising out of an **accident** while using a **watercraft** as a primary or permanent residence;
18. arising out of the ownership, maintenance, or use of any **watercraft or trailer owned by you** or furnished or available for **your** regular use, other than a **covered watercraft or trailer** for which this coverage has been purchased;
19. arising out of the ownership, maintenance, or use of any **watercraft or trailer owned** by a **relative** or furnished or available for the regular use of a **relative**, other than a **covered watercraft or trailer** for which this coverage has been purchased. This exclusion does not apply to **your** maintenance or use of such **watercraft or trailer**; or
20. caused by, or reasonably expected to result from, a criminal act or omission of an **insured person**. This exclusion applies regardless of whether that **insured person** is actually charged with, or convicted of, a crime. For purposes of this exclusion, criminal acts or omissions do not include traffic violations.

## LIMITS OF LIABILITY

The Medical Payments limit of liability shown on the **Declarations Page** is the most **we** will pay for each **insured person** injured in any one **accident** regardless of the number of:

1. claims made;
2. **covered watercraft**;
3. **insured persons**;

4. lawsuits brought;
5. **watercraft** involved in the **accident**;
6. premiums paid; or
7. **trailers**.

Any amount payable to an **insured person** under this Part II will be reduced by any amounts paid or payable for the same expense under Part I - Liability To Others or Part III - Uninsured/Underinsured Boater Coverage.

No one will be entitled to duplicate payments under this policy for the same elements of damages.

## **OTHER INSURANCE**

If there is other applicable medical payments insurance, **we** will pay only **our** share of the medical and funeral expenses. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits. However, any insurance that **we** provide for an **insured person** while **occupying a watercraft or trailer**, other than a **covered watercraft**, will be excess over any other insurance providing payments for medical and funeral expenses with respect to that **watercraft or trailer**.

## **PART III - UNINSURED/UNDERINSURED BOATER COVERAGE**

### **INSURING AGREEMENT - UNINSURED BOATER COVERAGE**

Subject to the Limits of Liability, if **you** pay the premium for Uninsured Boater Coverage, **we** will pay for damages, other than punitive or exemplary damages, which an **insured person** is legally entitled to recover from the **owner** or operator of an **uninsured watercraft** because of **bodily injury**:

1. sustained by an **insured person**;
2. caused by an **accident**; and
3. arising out of the ownership, maintenance, or use of an **uninsured watercraft**.

**We** will pay under this Part III only after the limits of liability under all applicable **bodily injury** liability bonds and policies have been exhausted by payment of judgments or settlements.

### **ADDITIONAL DEFINITIONS**

When used in this Part III, whether in the singular, plural or possessive:

1. **"Insured person"** means:
  - a. **you** or a **relative**;
  - b. any person while operating a **covered watercraft or trailer** with the permission of **you** or a **relative**;
  - c. any person **occupying**, but not operating, a **covered watercraft or trailer**; and
  - d. any person who is entitled to recover damages covered by this Part III because of **bodily injury** sustained by a person described in a, b, or c above.

2. **“Uninsured watercraft”** means a **watercraft**:
- a. to which no **bodily injury** liability bond or policy applies at the time of the **accident**;
  - b. to which a **bodily injury** liability bond or policy applies at the time of the **accident**, but the bonding or insuring company:
    - (i) denies coverage; or
    - (ii) is or becomes insolvent;
  - c. that is a hit-and-run **watercraft** whose operator or **owner** cannot be identified and which strikes:
    - (i) **you** or a **relative**;
    - (ii) a **watercraft** that **you** or a **relative** are **occupying**; or
    - (iii) a **covered watercraft**;provided that the **insured person**, or someone on his or her behalf, reports the **accident** to the coast guard, police, or other civil authority within twenty-four (24) hours or as soon as practicable after the **accident**; or
  - d. to which a liability bond or policy applies at the time of the **accident**, but the sum of all applicable limits of liability for **bodily injury** is less than the coverage limit for Uninsured Boater Coverage shown on the **Declarations Page**.

An **“uninsured watercraft”** does not include any **watercraft** or **trailer equipment**:

- a. **owned** by **you** or a **relative** or furnished or available for the regular use of **you** or a **relative**;
- b. **owned** or operated by a self-insurer, except a self-insurer that is or becomes insolvent;
- c. while being used as a permanent or primary residence;
- d. **owned** by any governmental unit or agency; or
- e. shown on the **Declarations Page** of this policy.

### **EXCLUSIONS - READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART III.**

Coverage under this Part III is not provided for **bodily injury** sustained by any person while using or **occupying**:

1. a **covered watercraft** while being used for commercial or **business** purposes;
2. a **covered watercraft** while being used in any illegal transportation or trade;
3. a **watercraft** in any pre-arranged or organized racing, speed or demolition contest, stunting activity, or in practice or preparation for any such contest or activity. However, this exclusion does not apply to **bodily injury** resulting from the use of a sailboat in any pre-arranged or organized racing or speed contest, or in practice or preparation for any such contest;
4. a para-sail, kite ski, or any other device designed for flight;
5. a **covered watercraft** while rented to others;
6. a **covered watercraft** without the express or implied permission of **you** or a **relative**;
7. a **non-owned watercraft** without the express or implied permission of the **owner**;
8. any **watercraft owned** by **you** or a **relative** that is not a **covered watercraft**;



9. any **watercraft** or **trailer owned** by **you** or furnished or available for **your** regular use, other than a **covered watercraft** or **trailer** for which this coverage has been purchased;
10. any **watercraft** or **trailer owned** by a **relative** or furnished or available for the regular use of a **relative**, other than a **covered watercraft** or **trailer** for which this coverage has been purchased. This exclusion does not apply to **your** maintenance or use of such **watercraft** or **trailer**; or
11. any **watercraft** or **trailer owned** by **you** if the injured person or the legal representative of that person settles without **our** written consent.

Coverage under this Part III will not apply directly or indirectly to benefit any insurer or self-insurer under any of the following or similar laws:

1. workers' compensation law;
2. disability benefits law; or
3. Jones Act.

## LIMITS OF LIABILITY

The limit of liability shown on the **Declarations Page** for "each accident" for the coverage afforded under this Part III is the most **we** will pay regardless of the number of:

1. claims made;
2. **covered watercraft**;
3. **insured persons**;
4. **lawsuits brought**;
5. **watercraft** involved in the **accident**;
6. premiums paid; or
7. **trailers**.

If the **Declarations Page** shows that "combined single limit" or "CSL" applies, the amount shown is the most **we** will pay for all damages due to **bodily injury** sustained in any one **accident**. However, without changing this total "each accident" limit of liability, **we** will comply with any law that requires **us** to provide any separate limits.

If **your Declarations Page** shows a split limit:

1. the amount shown for "each person" is the most **we** will pay for all damages due to **bodily injury** to one person; and
2. subject to the "each person" limit, the amount shown for "each accident" is the most **we** will pay for all damages due to **bodily injury** sustained by two or more persons in any one **accident**.

The **bodily injury** limit of liability under this Part III for "each person" includes the total of all claims made for **bodily injury** to an **insured person** and all claims of others derived from such **bodily injury**, including, but not limited to, emotional injury or mental anguish resulting from the **bodily injury** of another or from witnessing the **bodily injury** to another, loss of society, loss of companionship, loss of services, loss of consortium, and wrongful death.

The Limits of Liability under this Part III shall be reduced by all sums:

1. paid because of **bodily injury** by or on behalf of any persons or organizations that may be legally responsible, including, but not limited to, all sums paid under Part I - Liability To Others;
2. paid or payable under Part II - Medical Payments Coverage; and
3. paid or payable because of **bodily injury** under any of the following or similar laws:
  - a. workers' compensation law; or
  - b. disability benefits law.

Any payment made to a person under this Part III shall reduce any amount that the person is entitled to recover under Part I - Liability To Others.

No one will be entitled to duplicate payments for the same elements of damages.

Any judgment or settlement for damages against an operator or **owner** of an **uninsured watercraft** that arises out of a lawsuit brought without **our** written consent is not binding on **us**. Unless **we** receive notice of a lawsuit against an operator or **owner** of an **uninsured watercraft** or **underinsured watercraft** and **we** consent to be bound by the judgment rendered in that lawsuit, **we** shall not be barred from disputing liability or damages in any arbitration or lawsuit against **us** for payment under this Part III.

## OTHER INSURANCE

If there is other applicable uninsured or underinsured boater coverage, **we** will pay only **our** share of the damages. **Our** share is the proportion that **our** limit of liability bears to the total of all available coverage limits. However, any insurance **we** provide with respect to a **watercraft** that is not a **covered watercraft** will be excess over any other uninsured or underinsured boater coverage.

**We** will not pay for any damages that would duplicate any payment made for damages under other insurance.

## ARBITRATION

If **we** and an **insured person** cannot agree on:

1. the legal liability of the operator or **owner** of an **uninsured watercraft**; or
  2. the amount of the damages sustained by the **insured person**;
- this will be determined by arbitration if **we** or the **insured person** make a written demand for arbitration prior to the expiration of the bodily injury statute of limitations in the state in which the **accident** occurred.

If a written demand for arbitration is made, each party shall select an arbitrator. The two arbitrators will select a third. If the two arbitrators cannot agree on a third arbitrator within thirty (30) days, then on joint application by the **insured person** and **us**, the third arbitrator will be appointed by a court having jurisdiction.

Each party will pay the costs and fees of its arbitrator and any other expenses such party incurs. The costs and fees of the third arbitrator will be shared equally.

Unless both parties agree otherwise, arbitration will take place in the county in which the **insured person** resides. Local rules of procedure and evidence will apply.

A decision agreed to by two of the arbitrators will be binding with respect to a determination of:

1. the legal liability of the operator or **owner** of an **uninsured watercraft**; and
2. the amount of the damages sustained by the **insured person**.

The arbitrators shall have no authority to award an amount in excess of the limit of liability. Either party may demand the right to a trial. This demand must be made in writing within sixty (60) days of the arbitrators' decision. If the demand is not made within sixty (60) days, the amount of damages agreed to by the arbitrators will be binding.

## **PART IV - PHYSICAL DAMAGE COVERAGE**

### **INSURING AGREEMENT - COMPREHENSIVE AND COLLISION COVERAGE**

Subject to the Limits of Liability, if **you** pay the premium for Comprehensive and Collision Coverage for a **covered watercraft**, **we** will pay for a comprehensive **loss** to that **covered watercraft** and for **loss** to that **covered watercraft** when it collides with another object.

A comprehensive **loss** is a **loss** to a **covered watercraft** caused by any event other than collision with another object, including, but not limited to, any of the following:

1. impact with an animal (including a bird);
2. explosion or earthquake;
3. fire;
4. malicious mischief or vandalism;
5. missiles or falling objects;
6. riot or civil commotion;
7. theft or larceny;
8. windstorm, hail, water, or flood; or
9. breakage of glass.

### **ADDITIONAL DEFINITIONS**

When used in this Part IV:

1. "**Agreed value**" means the "agreed value" as shown on the **Declarations Page**.
2. "**Covered watercraft**" means a "**covered watercraft**" as defined in the "**General Definitions**" section of this policy including the following components:
  - a. **motor(s)**;
  - b. **permanent equipment** even if temporarily stored ashore;
  - c. **portable boating equipment** while used with the **covered watercraft** or while temporarily stored on shore; and
  - d. **trailer** if **you** have requested, and paid the premium for, trailer coverage.
3. "**Purchase price**" means the "purchase price" as shown on the **Declarations Page**.

4. **“Total loss”** means:
  - a. the theft of a **covered watercraft**, if the **covered watercraft** is not recovered within thirty (30) days; or
  - b. any other **loss** to the **covered watercraft** that is payable under this Part IV, if the cost to repair the damage (including parts and labor), when combined with the salvage value of the **covered watercraft**, exceeds the actual cash value of the **covered watercraft** at the time of the **loss**.

**EXCLUSIONS - READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART IV.**

Coverage under this Part IV does not apply to any **loss**:

1. while a **covered watercraft** is being used for commercial or **business** purposes;
2. while a **covered watercraft** is being used in any illegal transportation or trade;
3. that occurs because a **covered watercraft** is not in **seaworthy** condition;
4. resulting from, or sustained during practice or preparation for:
  - a. any pre-arranged or organized racing, stunting, speed, or demolition contest or activity; or
  - b. any driving activity conducted on a permanent or temporary racetrack or race-course.

However, this exclusion does not apply to **property damage** resulting from the use of a sailboat in any pre-arranged or organized racing or speed contest, or in practice or preparation for any such contest;

5. due to a nuclear reaction or radiation;
6. for which insurance is afforded under a nuclear energy liability insurance contract issued by:
  - a. American Nuclear Insurers;
  - b. Mutual Atomic Energy Liability Underwriters;
  - c. Nuclear Insurance Association of Canada;or any of their successors, subsidiaries, or assigns;
7. due to destruction or confiscation of a **covered watercraft** by governmental or civil authorities because **you** or any **relative** engaged in illegal activities;
8. caused by an intentional act by **you** or a **relative** or at the direction of **you** or a **relative**;
9. to any **watercraft** caused by an intentional act committed by or at the direction of **you**, a **relative**, or the **owner** of a **non-owned watercraft**, even if the actual damage is different than that which was intended or expected, unless the intentional act is reasonably taken to prevent **bodily injury** to another;
10. caused directly or indirectly by:
  - a. wear and tear;
  - b. smog, humidity, mildew, mold, freezing, thawing, or extremes of temperature;
  - c. gradual deterioration of any kind including, but not limited to, weathering, rust, corrosion, mold, wet or dry rot, osmosis, delamination or blistering;
  - d. dock rash or other gradual marring or scratching;
  - e. mechanical, electrical, or structural breakdown, except for subsequent **loss** by fire or explosion;

- f. any manufacturing or latent defect; or
  - g. insects, animals, vermin, or marine life.
- However, this exclusion does not apply if the damage results from the theft of a **covered watercraft**;
- 11. due to theft or conversion of a **covered watercraft** by **you**, a **relative**, or any resident of **your** household;
  - 12. to any personal property other than a **covered watercraft**;
  - 13. while a **covered watercraft** is rented to others;
  - 14. to a **covered watercraft** if repairs are made in Mexico, unless the **covered watercraft** must be repaired in Mexico in order to be returned to the United States;
  - 15. caused directly or indirectly by:
    - a. war (declared or undeclared), including civil war;
    - b. warlike action by any military force of any government, sovereign or other authority using military personnel or agents. This includes any action taken to hinder or defend against an actual or expected attack; or
    - c. insurrection, rebellion, revolution, usurped power, or any action taken by a governmental authority to hinder or defend against any of these acts;
  - 16. arising out of an **accident** while using a **watercraft** as a primary or permanent residence; or
  - 17. to a **covered watercraft**, **non-owned watercraft**, or **trailer**, caused by, or reasonably expected to result from, a criminal act or omission of an **insured person**. This exclusion applies regardless of whether that **insured person** is actually charged with, or convicted of, a crime. For purposes of this exclusion, criminal acts or omissions do not include traffic violations.

## LIMITS OF LIABILITY

- 1. **Our** limit of liability for **loss** to a **covered watercraft** shall be the lowest of:
  - a. the actual cash value of the stolen or damaged property at the time of the **loss**, reduced by the applicable deductible shown on the **Declarations Page**, and by its salvage value if **you** or the **owner** retain the salvage;
  - b. the amount necessary to replace the stolen or damaged property, reduced by the applicable deductible shown on the **Declarations Page**, and by its salvage value if **you** or the **owner** retain the salvage;
  - c. the amount necessary to repair the damaged property to its pre-loss condition, reduced by the applicable deductible shown on the **Declarations Page**; or
  - d. the amount shown on the **Declarations Page** for Comprehensive and Collision Coverage for that **covered watercraft**, reduced by its salvage value if **you** or the **owner** retain the salvage.
- 2. Payments for **loss** covered under this Part IV are subject to the following provisions:
  - a. a deductible of \$250 shall apply to each **loss** to a **trailer** if **you** have paid the premium for trailer coverage. However, no deductible for **loss** to a **trailer** shall apply if **you** have incurred a deductible under Comprehensive and Collision Coverage for the same **loss**;
  - b. a deductible of \$500 shall apply to each **loss** to **marine electronics**. However, no deductible for **loss** to **marine electronics** shall apply if **you** have incurred a deductible under Comprehensive and Collision Coverage for the same **loss**;

- c. if two or more deductibles apply to any one covered **loss**, only the highest deductible will apply;
  - d. no more than one deductible shall apply to any one covered **loss**;
  - e. in determining the amount necessary to repair damaged property to its pre-loss condition, the amount to be paid by **us**:
    - (i) shall not exceed the prevailing competitive labor rates charged in the area where the property is to be repaired, and the cost of repair or replacement parts and equipment, as reasonably determined by **us**; and
    - (ii) will be based on the cost of repair or replacement parts and equipment which may be new, reconditioned, remanufactured, or used, including, but not limited to:
      - (a) original manufacturer parts or equipment; and
      - (b) nonoriginal manufacturer parts or equipment;
  - f. the actual cash value is determined by the market value, age, and condition of the **covered watercraft** at the time of the **loss**;
  - g. duplicate recovery under this policy for the same elements of **loss** is not permitted; and
  - h. no coverage is provided under this Part IV for diminution of value.
3. If there is more than one **covered watercraft**, coverage will be provided as specified on the **Declarations Page** as to each **covered watercraft**.
  4. In the event of a **loss** to an inflatable **covered watercraft**, **we** will pay for repairs made in accordance with the manufacturer's specifications or accepted repair practices, including repairs by airtight patch or similar method.

## **INSURING AGREEMENT - TOTAL LOSS REPLACEMENT/ PURCHASE PRICE COVERAGE**

If **you** pay the premium for Total Loss Replacement/Purchase Price Coverage, then subsection 1 of the Limits of Liability provision under this Part IV shall not apply, and the following provision shall apply to a **loss** to a **covered watercraft**:

1. The limit of liability for a **covered watercraft** for which Total Loss Replacement/Purchase Price Coverage was purchased is as follows:
  - a. for a **total loss** to a **covered watercraft**:
    - (i) if the **covered watercraft** is, at the time of the **total loss**, the current model year, or the first through fourth preceding model year, and:
      - (a) **you** choose to replace the **covered watercraft**, **our** limit of liability shall be the cost, as determined by **us**, of a new **watercraft** that is, to the extent possible, the same make, class, size, and type, and which contains comparable equipment to the **covered watercraft**; or
      - (b) **you** choose not to replace the **covered watercraft**, **our** limit of liability shall be the **purchase price** shown on the **Declarations Page** for the **covered watercraft**, reduced by its salvage value if **you** or the **owner** retain the salvage; or
    - (ii) if the **covered watercraft** is, at the time of the **total loss**, the fifth preceding model year or older, **our** limit of liability shall be the **purchase price** shown on the **Declarations Page**, reduced by its salvage value if **you** or the **owner** retain the salvage;

- b. for a **loss** to a **covered watercraft**, other than a **total loss**:
  - (i) **our** limit of liability is the lowest of:
    - (a) the amount necessary to replace the stolen or damaged property, reduced by the applicable deductible shown on the **Declarations Page**, and by its salvage value if **you** or the **owner** retain the salvage;
    - (b) the amount necessary to repair the damaged property to its pre-loss condition, reduced by the applicable deductible shown on the **Declarations Page**; or
    - (c) the **purchase price** for the **covered watercraft** shown on the **Declarations Page**, reduced by its salvage value if **you** or the **owner** retain the salvage; and
  - (ii) no adjustment for depreciation will be made in determining the limit of liability on a **covered watercraft** manufactured less than five (5) years before the date of **loss**, with the following exceptions: batteries, sails, plastic and canvas coverings, including all-weather bridge and cockpit enclosures and dodgers, or components of any of the preceding items.

## INSURING AGREEMENT - AGREED VALUE COVERAGE

If **you** pay the premium for Agreed Value Coverage, then subsection 1 of the Limits of Liability provision under this Part IV shall not apply, and the following provision shall apply to a **loss** to a **covered watercraft**:

- 1. The limit of liability for a **covered watercraft** for which Agreed Value Coverage was purchased is as follows:
  - a. for a **total loss** to a **covered watercraft**, **our** limit of liability is the **agreed value** for the **covered watercraft** shown on the **Declarations Page**, reduced by its salvage value if **you** or the **owner** retain the salvage;
  - b. for a **loss** to a **covered watercraft**, other than a **total loss**:
    - (i) **our** limit of liability is the lowest of:
      - (a) the amount necessary to replace the stolen or damaged property, reduced by the applicable deductible shown on the **Declarations Page**, and by its salvage value if **you** or the **owner** retain the salvage;
      - (b) the amount necessary to repair the damaged property to its pre-loss condition, reduced by the applicable deductible shown on the **Declarations Page**; or
      - (c) the **agreed value** for the **covered watercraft** shown on the **Declarations Page**, reduced by its salvage value if **you** or the **owner** retain the salvage; and
    - (ii) no adjustment for depreciation will be made in determining the limit of liability on a **covered watercraft** manufactured less than five (5) years before the date of **loss**, with the following exceptions: batteries, sails, plastic and canvas coverings, including all-weather bridge and cockpit enclosures and dodgers, or components of any of the preceding items.

## INSURING AGREEMENT - WRECKAGE REMOVAL COVERAGE

Subject to the Limits of Liability, if **you** pay the premium for Comprehensive and Collision Coverage, **we** will pay reasonable costs incurred by **you** for any attempted or actual raising, removal, or destruction of the wreckage of a **covered watercraft** resulting from any **loss** for which Comprehensive and Collision Coverage is provided under this Part IV.

If **you** are legally required to raise, remove, or destroy the wreckage, **our** limit of liability for costs incurred, when added to the amount payable under this Part IV for damage to the **covered watercraft**, shall not exceed the sum of:

1. the limit of liability for **property damage** coverage, if any, shown on the **Declarations Page** for such **covered watercraft**;
2. the **agreed value, purchase price**, or amount shown on the **Declarations Page** for Comprehensive and Collision Coverage for the **covered watercraft**, reduced by its salvage value if **you** or the **owner** retain the salvage; and
3. five percent (5%) of the **agreed value, purchase price**, or amount shown on the **Declarations Page** for Comprehensive and Collision Coverage for the **covered watercraft**.

If **you** are not legally required to raise, remove, or destroy the wreckage, **our** limit of liability for costs incurred, when added to the amount payable under this Part IV for damage to the **covered watercraft**, shall not exceed the sum of:

1. the **agreed value, purchase price**, or amount shown on the **Declarations Page** for Comprehensive and Collision Coverage for the **covered watercraft**, reduced by its salvage value if **you** or the **owner** retain the salvage; and
2. five percent (5%) of the **agreed value, purchase price**, or amount shown on the **Declarations Page** for Comprehensive and Collision Coverage for the **covered watercraft**.

## INSURING AGREEMENT - MEXICO COVERAGE

In addition to the territory specified in the "General Provisions" section of this policy, if **you** pay the premium for Comprehensive and Collision Coverage, coverage under this Part IV shall apply to any **loss** that occurs within any state, territory, or possession of Mexico, including ocean waters within seventy-five (75) nautical miles of its coast. However, payment for such a **loss** will be made in the United States, even though the **loss** occurred in Mexico. Coverage under this Part IV does not apply to any **loss** to a **covered watercraft** if repairs are made in Mexico except to the extent the **covered watercraft** requires repair in Mexico in order to be returned to the United States. If a **covered watercraft** must be repaired in Mexico in order to be returned to the United States, **we** will not pay more than the actual cash value of the necessary repairs as would have been made at the nearest United States point where the repairs could have been made.

**WARNING:** WATERCRAFT ACCIDENTS IN MEXICO ARE SUBJECT TO THE LAWS OF MEXICO, NOT THE LAWS OF THE UNITED STATES. THE COVERAGE **WE** PROVIDE UNDER THIS POLICY DOES NOT MEET MEXICAN INSURANCE REQUIREMENTS.



## INSURING AGREEMENT - WATERCRAFT EMERGENCY TOWING AND LABOR COVERAGE

Subject to the limit of liability shown on the **Declarations Page**, if **you** pay the premium for Watercraft Emergency Towing and Labor Coverage, **we** will reimburse **you** for towing and labor costs, and delivery costs for parts and supplies, incurred by **you** as a result of the disablement of a **covered watercraft** while afloat, provided that:

1. the labor is performed at the place of disablement; and
2. the disablement does not occur where the **covered watercraft** is usually kept.

**We** will not reimburse **you** for the cost of the parts and supplies. A deductible does not apply to this coverage.

Duplicate recovery for identical elements of damages is not permitted under this policy.

## INSURING AGREEMENT - ROADSIDE ASSISTANCE COVERAGE

If Roadside Assistance Coverage is shown on the **Declarations Page**, then in the event of a **covered emergency** while **your covered watercraft** is being towed or carried by a land motor vehicle or being loaded or unloaded from its **trailer**, **we** will pay for:

1. towing of the motor vehicle, **covered watercraft** and **trailer** to the nearest qualified repair facility; and
2. labor on the motor vehicle and/or **trailer** at the place of disablement; which is necessary due to the **covered emergency**.

If the motor vehicle, **covered watercraft** and **trailer** are towed to any place other than the nearest qualified repair facility, **you** will be responsible for any additional mileage charges incurred.

If a **covered emergency** occurs, **you** may request roadside assistance by calling the toll-free number **we** provide to **you**.

**Unauthorized Service Provider provision:** When service is rendered by a provider other than **our** authorized service representative, **we** will only pay reasonable charges, as determined by **us**, for:

1. towing of the motor vehicle, **covered watercraft** and **trailer** to the nearest qualified repair facility; and
2. labor on the motor vehicle and/or **trailer** at the place of disablement; which is necessary due to a **covered emergency**.

As used in this Roadside Assistance Coverage, "**covered emergency**" means a disablement of a motor vehicle or **trailer** that results from:

1. mechanical or electrical breakdown;
2. battery failure;
3. insufficient supply of fuel, oil, water, or other fluids;

4. a flat tire;
5. lock-out; or
6. entrapment in snow, mud, or sand within one hundred (100) feet of a road or highway.

Roadside Assistance Coverage does not apply to:

1. the cost of purchasing parts, fluid, lubricants, fuel, or replacement keys, or the labor to make replacement keys;
2. the cost of installation of products and materials not related to the disablement;
3. labor not related to the disablement;
4. labor for any time period in excess of sixty (60) minutes per disablement;
5. any and all fines;
6. expenses incurred for transportation or temporary living expenses;
7. towing or storage charges related to impoundment, abandonment, illegal parking, or other violations of law;
8. assistance with jacks, levelers, airbags, or awnings;
9. damage or disablement due to fire, flood, or vandalism;
10. towing from a service station, garage, or repair shop;
11. labor or repair work performed at a service station, garage, or repair shop;
12. vehicle storage charges;
13. a second service call or tow for a single disablement;
14. disablement that occurs on roads not regularly maintained, sand beaches, open fields, or areas designated as not passable due to construction;
15. mounting or removing of snow tires or chains;
16. tire repair;
17. repeated service calls for a motor vehicle or **trailer** in need of routine maintenance or repair;
18. disablement that results from an intentional or willful act or action by **you**, a **relative** or any person using a motor vehicle or **trailer**;
19. off-road vehicles which are not subject to motor vehicle registration and licensing; or
20. motor vehicles or **trailers** used for **business** or commercial purposes.

## DISAPPEARING DEDUCTIBLES

If **you** pay the premium for either Agreed Value Coverage or Total Loss Replacement/Purchase Price Coverage, the following is added to the Limits of Liability provision under this Part IV:

If, during any policy period, **you** do not have a **loss** under Comprehensive and Collision Coverage for which **we** have paid any amount, then:

1. any deductible for Comprehensive and Collision Coverage for a **watercraft** with Agreed Value Coverage or Total Loss Replacement/Purchase Price Coverage shall be reduced for the following policy period by twenty-five percent (25%); and
2. no deductible for Comprehensive and Collision Coverage for a **watercraft** with Agreed Value Coverage or Total Loss Replacement/Purchase Price Coverage will apply for the fifth policy period and thereafter if **you** do not have any **losses** on any **watercraft** during the previous four (4) consecutive policy periods.

If **you** have a **loss** at any time for which **we** make a payment under Comprehensive and Collision Coverage for any **watercraft**, then the most recent elected deductible will be restored for the subsequent policy period. Thereafter, the deductible may again be reduced if the conditions set forth above are satisfied.

Reductions and increases in the deductible under this provision shall apply to all **covered watercraft** with Agreed Value Coverage or Total Loss Replacement/Purchase Price Coverage.

## PAYMENT OF LOSS

At **our** expense, **we** may return any recovered stolen property to **you** or to the address shown on the **Declarations Page**, with payment for any damage resulting from the theft. **We** may keep all or part of the property at the agreed or appraised value. **We** may settle any **loss** with **you** or the **owner** or lienholder of the property.

## NO BENEFIT TO BAILEE

Coverage under this Part IV will not directly or indirectly benefit any carrier or other bailee for hire.

## LOSS PAYABLE CLAUSE

Payment under this Part IV for a **loss** to a **covered watercraft** will be made according to **your** interest and the interest of any lienholder shown on the **declarations page** or designated by **you**. At **our** option, payment may be made to both jointly, or to either separately. Either way, **we** will protect the interest of both. However, if the **covered watercraft** is not a **total loss**, **we** may make payment to **you** and the repairer of the **watercraft**.

Protection of the lienholder's financial interest will not be affected by any act or omission by any person entitled to coverage under this policy. However, protection under this clause does not apply:

1. in any case of conversion, embezzlement, secretion, or willful damaging or destruction, of the **covered watercraft** by or at the direction of **you**, a **relative**, or the **owner** of the **covered watercraft**; or
2. to any **loss** caused by, or reasonably expected to result from, a criminal act or omission of **you**, a **relative**, or the **owner** of the **covered watercraft**. This applies regardless of whether **you**, the **relative**, or the **owner** of the **covered watercraft** is actually charged with, or convicted of, a crime. For the purposes of this exclusion, criminal acts or omissions do not include traffic violations.

If this policy is canceled, nonrenewed, or voided, the interest of any lienholder under this agreement will also terminate.

When **we** make payment to a lienholder for **loss** under this policy, **we** will be subrogated to the rights of the party **we** pay, to the extent of **our** payment. When **we** pay a lienholder for a **loss** for which **you** are not covered, **we** are entitled to the lienholder's

right of recovery against **you** to the extent of **our** payment. **Our** right to subrogation will not impair the lienholder's right to recover the full amount of its claim.

## OTHER INSURANCE

If there is other applicable insurance, **we** will pay only **our** share of the **loss**. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits of liability. However, any insurance that **we** provide for a **watercraft**, other than a **covered watercraft**, will be excess over any other collectible source of recovery including, but not limited to:

1. any coverage provided by the **owner** of the **non-owned watercraft**; and
2. any other applicable physical damage insurance.

## APPRAISAL

If **we** cannot agree with **you** on the amount of a **loss**, then **we** or **you** may demand an appraisal of the **loss**. If a demand for an appraisal is made, each party shall appoint a competent and impartial appraiser. The appraisers will determine the amount of **loss**. If they fail to agree, the disagreement will be submitted to a qualified and impartial umpire chosen by the appraisers. If the two appraisers are unable to agree upon an umpire within fifteen (15) days, **we** or **you** may request that a judge of a court of record, in the county where **you** reside, select an umpire. The appraisers and umpire will determine the amount of **loss**. The amount of **loss** agreed to by both appraisers, or by one appraiser and the umpire, will be binding. **You** will pay **your** appraiser's fees and expenses. **We** will pay **our** appraiser's fees and expenses. All other expenses of the appraisal, including payment of the umpire, will be shared equally between **us** and **you**. Neither **you** nor **we** waive any rights under this policy by agreeing to an appraisal.

## PART V - REPLACEMENT COST PERSONAL EFFECTS COVERAGE

### INSURING AGREEMENT - REPLACEMENT COST PERSONAL EFFECTS COVERAGE

Subject to the Limit of Liability, if **you** pay the premium for Replacement Cost Personal Effects Coverage, **we** will pay for **loss** to **personal effects** and **non-owned personal effects** while in or on a **covered watercraft**.

No coverage is provided for theft of **personal effects** or **non-owned personal effects** unless such items are stolen from a locked compartment or cabin, the theft is supported by evidence of forcible entry, and the **insured person**, or someone on his or her behalf, reports the theft to the United States Coast Guard, the police, or other civil authority within twenty-four (24) hours or as soon as practicable after the **loss**.

## ADDITIONAL DEFINITIONS

When used in this Part V:

1. "**Fishing equipment**" means any sport fishing gear and equipment owned by **you** or a **relative** that is used in the legal taking of fish for sport and recreation, or for

personal consumption, including, but not limited to, rods, reels, lures, lines, and tackle boxes. **“Fishing equipment”** does not include **permanent equipment, portable boating equipment, or personal effects.**

2. **“Non-owned personal effects”** means clothing and other personal property, not owned by **you** or a **relative**, which is lawfully in the possession of **you** or a **relative**. **“Non-owned personal effects”** does not include:
  - a. money, traveler’s checks, securities, evidence of debt, or valuable papers or documents;
  - b. jewelry, watches, gems, precious stones, silver, gold, or other precious metals;
  - c. antiques, fine arts, liquor or furs;
  - d. computer hardware and software;
  - e. any property used in **your** or a **relative’s business** or employment;
  - f. animals (including birds and fish);
  - g. **fishing equipment;**
  - h. **permanent equipment;** or
  - i. **portable boating equipment.**
3. **“Personal effects”** means clothing and other personal property owned by **you** or a **relative**. **“Personal effects”** does not include:
  - a. money, traveler’s checks, securities, evidence of debt, or valuable papers or documents;
  - b. jewelry, gems, precious stones, watches, silver, gold, or other precious metals;
  - c. antiques, fine arts, liquor or furs;
  - d. computer hardware and software;
  - e. any property used in **your** or a **relative’s business** or employment;
  - f. animals (including birds and fish);
  - g. **fishing equipment;**
  - h. **permanent equipment;** or
  - i. **portable boating equipment.**

**EXCLUSIONS - READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART V.**

Coverage under this Part V does not apply to any **loss** to **personal effects** or **non-owned personal effects**:

1. while the **covered watercraft** is being used for commercial or **business** purposes;
2. while the **covered watercraft** is being used in any illegal transportation or trade;
3. that occurs because the **covered watercraft** is not in **seaworthy** condition;
4. resulting from any pre-arranged or organized racing, speed or demolition contest, stunting activity, or in practice or preparation for any such contest or activity. However, this exclusion does not apply to **loss** resulting from the use of a **covered watercraft** that is a sailboat in any pre-arranged or organized racing or speed contest, or in practice or preparation for any such contest;
5. due to a nuclear reaction or radiation;
6. for which insurance is afforded under a nuclear energy liability insurance contract;
7. due to destruction or confiscation by governmental or civil authorities of **personal effects** or **non-owned personal effects** because **you** or any **relative** engaged in illegal activities;

8. caused by an intentional act of **you** or a **relative** or at the direction of **you** or a **relative**;
9. caused directly or indirectly by:
  - a. wear and tear;
  - b. smog, humidity, mildew, mold, freezing, thawing, or extremes of temperature;
  - c. gradual deterioration of any kind including, but not limited to, weathering, rust, corrosion, mold, wet or dry rot, osmosis or blistering;
  - d. dock rash or other gradual marring or scratching;
  - e. mechanical, electrical, or structural breakdown, except for subsequent **loss** by fire or explosion;
  - f. any manufacturing or latent defect; or
  - g. insects, animals, vermin, or marine life.However, this exclusion does not apply if the damage results from the theft of a **covered watercraft**;
10. due to theft or conversion of **personal effects** or **non-owned personal effects** by **you**, a **relative**, or any resident of **your** household, or at the direction of **you**, a **relative**, or any resident of **your** household;
11. for diminution of value;
12. while the **covered watercraft** is rented to others;
13. caused directly or indirectly by:
  - a. war (declared or undeclared), including civil war;
  - b. warlike action by any military force of any government, sovereign or other authority using military personnel or agents. This includes any action taken to hinder or defend against an actual or expected attack;
  - c. insurrection, rebellion, revolution, usurped power, or any action taken by a governmental authority to hinder or defend against any of these acts;
  - d. any accidental or intentional discharge, dispersal or release of radioactive, nuclear, pathogenic, or poisonous biological material; or
  - e. any intentional discharge, dispersal or release of chemical or hazardous material for any purpose other than its safe and useful purpose; or
14. arising out of an **accident** while using a **watercraft** as a primary or permanent residence.

## LIMITS OF LIABILITY

1. **Our** limit of liability for **loss** to **personal effects** and **non-owned personal effects** will be the lowest of:
  - a. the amount necessary to replace the stolen or damaged property, reduced by any applicable deductible;
  - b. the amount necessary to repair the damaged property to its pre-loss condition, reduced by any applicable deductible;
  - c. any applicable limit set forth in subsection 2 or 3 below; or
  - d. the amount shown on the **Declarations Page** for Replacement Cost Personal Effects Coverage.

**Our** limit of liability for **loss** to part of a pair or set, series of objects, pieces or panels is the lowest of:

- a. the cost to repair or replace the part that restores the set to its value before the **loss**;

- b. the difference between the actual cash value of the set before the **loss** and after the **loss**; or
  - c. the cost of a substitute part that reasonably matches the rest of the set.
- We** have no obligation to replace the entire set if only part is lost or damaged.
- 2. **Our** limit for **loss** to all **non-owned personal effects** in any one **loss** is the aggregate of \$500.
  - 3. **Our** limit for **loss** to any one item of **personal effects** in any one **loss** is \$1,000.
  - 4. Payments for **loss** covered under this Part V are subject to the following provisions:
    - a. a deductible of \$250 shall apply to each **loss** to **personal effects** or **non-owned personal effects**;
    - b. no more than one deductible shall be applied to any one covered **loss**;
    - c. in determining the amount necessary to repair damaged property to its pre-loss condition, the amount to be paid by **us**:
      - i. shall not exceed the prevailing competitive labor rates charged in the area where the property is to be repaired, and the cost of repair or replacement parts and equipment, as reasonably determined by **us**; and
      - ii. will be based on the cost of repair or replacement parts and equipment which may be new, reconditioned, remanufactured, or used, including, but not limited to:
        - (a) original manufacturer parts or equipment; and
        - (b) nonoriginal manufacturer parts or equipment; and
    - d. duplicate recovery under this policy for the same elements of **loss** is not permitted.

## PAYMENT OF LOSS

At **our** expense, **we** may return any recovered stolen property to **you** or to the address shown on the **Declarations Page**, with payment for any damage resulting from the theft. **We** may keep all or part of the property at the agreed or appraised value. **We** may settle any **loss** with **you** or the **owner** or lienholder of the property.

## NO BENEFIT TO BAILEE

Coverage under this Part V will not directly or indirectly benefit any carrier or other bailee for hire.

## OTHER INSURANCE

The insurance that **we** provide under this Part V for **personal effects** is primary. However, any insurance that **we** provide for a **loss** to **non-owned personal effects** shall apply as excess coverage over any other collectible source of recovery including, but not limited to, any coverage provided by homeowners, renters, or tenants insurance.

## APPRAISAL

If **we** cannot agree with **you** on the amount of a **loss**, then **we** or **you** may demand an appraisal of the **loss**. If a demand for an appraisal is made, each party shall appoint a

competent and impartial appraiser. The appraisers will determine the amount of **loss**. If they fail to agree, the disagreement will be submitted to a qualified and impartial umpire chosen by the appraisers. If the two appraisers are unable to agree upon an umpire within fifteen (15) days, **we** or **you** may request that a judge of a court of record, in the county where **you** reside, select an umpire. The appraisers and umpire will determine the amount of **loss**. The amount of **loss** agreed to by both appraisers, or by one appraiser and the umpire, will be binding. **You** will pay **your** appraiser's fees and expenses. **We** will pay **our** appraiser's fees and expenses. All other expenses of the appraisal, including payment of the umpire, will be shared equally between **us** and **you**. Neither **we** nor **you** waive any rights under this policy by agreeing to an appraisal.

## **PART VI - FISHING EQUIPMENT COVERAGE**

### **INSURING AGREEMENT - FISHING EQUIPMENT COVERAGE**

Subject to the limit of liability, if **you** pay the premium for Fishing Equipment Coverage, **we** will pay for **loss** to **fishing equipment**.

No coverage is provided for theft of **fishing equipment** unless such equipment is stolen from a locked compartment or cabin, the theft is supported by visible evidence of forcible entry, and the **insured person**, or someone on his or her behalf, reports the theft to the United States Coast Guard, the police, or other civil authority within twenty-four (24) hours or as soon as practicable after the **loss**.

### **ADDITIONAL DEFINITIONS**

When used in this Part VI:

1. **"Fishing equipment"** means any sport fishing gear and equipment owned by **you** or a **relative** that is used in the legal taking of fish for sport and recreation, or for personal consumption, including, but not limited to, rods, reels, lures, lines, and tackle boxes. **"Fishing equipment"** does not include **permanent equipment**, **portable boating equipment**, or **personal effects**.
2. **"Personal effects"** means clothing and other personal property owned by **you** or a **relative**. **"Personal effects"** does not include:
  - a. money, traveler's checks, securities, evidence of debt, or valuable papers or documents;
  - b. jewelry, gems, precious stones, watches, silver, gold, or other precious metals;
  - c. antiques, fine arts, liquor or furs;
  - d. computer hardware and software;
  - e. any property used in **your** or a **relative's business** or employment;
  - f. animals (including birds and fish);
  - g. **fishing equipment**;
  - h. **permanent equipment**; or
  - i. **portable boating equipment**.



**EXCLUSIONS - READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART VI.**

Coverage under this Part VI does not apply to any **loss** to **fishing equipment**:

1. while the **fishing equipment** is being used for commercial or **business** purposes;
2. while the **covered watercraft** is being used in any illegal transportation or trade;
3. that occurs because the **covered watercraft** is not in **seaworthy** condition;
4. resulting from any pre-arranged or organized racing, speed or demolition contest, stunting activity, or in practice or preparation for any such contest or activity. However, this exclusion does not apply to **loss** resulting from the use of a **covered watercraft** that is a sailboat in any pre-arranged or organized racing or speed contest, or in practice or preparation for any such contest;
5. due to a nuclear reaction or radiation;
6. for which insurance is afforded under a nuclear energy liability insurance contract;
7. due to destruction or confiscation by governmental or civil authorities of **fishing equipment** because **you** or any **relative** engaged in illegal activities;
8. caused by an intentional act of **you** or a **relative** or at the direction of **you** or a **relative**;
9. caused directly or indirectly by:
  - a. wear and tear;
  - b. smog, humidity, mildew, mold, freezing, thawing, or extremes of temperature;
  - c. gradual deterioration of any kind including, but not limited to, weathering, rust, corrosion, mold, wet or dry rot, osmosis or blistering;
  - d. dock rash or other gradual marring or scratching;
  - e. mechanical, electrical, or structural breakdown, except for subsequent **loss** by fire or explosion;
  - f. any manufacturing or latent defect; or
  - g. insects, animals, vermin, or marine life.However, this exclusion does not apply if the damage results from the theft of a **covered watercraft**;
10. due to theft or conversion of **fishing equipment** by **you**, a **relative**, or any resident of **your** household, or at the direction of **you**, a **relative**, or any resident of **your** household;
11. for diminution of value;
12. while the **fishing equipment** is rented to others; or
13. caused directly or indirectly by:
  - a. war (declared or undeclared), including civil war;
  - b. warlike action by any military force of any government, sovereign or other authority using military personnel or agents. This includes any action taken to hinder or defend against an actual or expected attack;
  - c. insurrection, rebellion, revolution, usurped power, or any action taken by a governmental authority to hinder or defend against any of these acts;
  - d. any accidental or intentional discharge, dispersal or release of radioactive, nuclear, pathogenic, or poisonous biological material; or
  - e. any intentional discharge, dispersal or release of chemical or hazardous material for any purpose other than its safe and useful purpose.

## LIMITS OF LIABILITY

1. **Our** limit of liability under this Part VI for **loss to fishing equipment** will be the lowest of:
  - a. the amount necessary to replace the stolen or damaged property, reduced by the applicable deductible shown on the **Declarations Page**;
  - b. the amount necessary to repair the damaged property to its pre-loss condition, reduced by the applicable deductible shown on the **Declarations Page**; or
  - c. the amount shown on the **Declarations Page** for Fishing Equipment Coverage.However, the most **we** will pay for **loss** or damage to any one item of **fishing equipment** is \$1,000. A tackle box or any other container used to store lures, hooks, and baits is considered one item regardless of the number of lures, hooks, baits and other items stored in the container. A rod and reel are considered two separate items.
2. Payments for **loss** covered under Fishing Equipment Coverage are subject to the following provisions:
  - a. a deductible of \$250 shall apply to each **loss to fishing equipment**;
  - b. no more than one deductible shall be applied to any one covered **loss**;
  - c. in determining the amount necessary to repair damaged property to its pre-loss condition, the amount to be paid by **us**:
    - i. shall not exceed the prevailing competitive labor rates charged in the area where the property is to be repaired, and the cost of repair or replacement parts and equipment, as reasonably determined by **us**; and
    - ii. will be based on the cost of repair or replacement parts and equipment which may be new, reconditioned, remanufactured, or used, including, but not limited to:
      - (a) original manufacturer parts or equipment; and
      - (b) nonoriginal manufacturer parts or equipment; and
  - d. duplicate recovery under this policy for the same elements of **loss** is not permitted.

## PAYMENT OF LOSS

At **our** expense, **we** may return any recovered stolen property to **you** or to the address shown on the **Declarations Page**, with payment for any damage resulting from the theft. **We** may keep all or part of the property at the agreed or appraised value. **We** may settle any **loss** with **you** or the **owner** or lienholder of the property.

## NO BENEFIT TO BAILEE

Coverage under this Part VI will not directly or indirectly benefit any carrier or other bailee for hire.

## OTHER INSURANCE

The insurance that **we** provide under this Part VI for **fishing equipment** is primary.

## APPRAISAL

If **we** cannot agree with **you** on the amount of a **loss**, then **we** or **you** may demand an appraisal of the **loss**. If a demand for an appraisal is made, each party shall appoint a competent and impartial appraiser. The appraisers will determine the amount of **loss**. If they fail to agree, the disagreement will be submitted to a qualified and impartial umpire chosen by the appraisers. If the two appraisers are unable to agree upon an umpire within fifteen (15) days, **we** or **you** may request that a judge of a court of record, in the county where **you** reside, select an umpire. The appraisers and umpire will determine the amount of **loss**. The amount of **loss** agreed to by both appraisers, or by one appraiser and the umpire, will be binding. **You** will pay **your** appraiser's fees and expenses. **We** will pay **our** appraiser's fees and expenses. All other expenses of the appraisal, including payment of the umpire, will be shared equally between **us** and **you**. Neither **we** nor **you** waive any rights under this policy by agreeing to an appraisal.

## GENERAL PROVISIONS

### POLICY PERIOD AND TERRITORY

This policy applies only to **accidents** and **losses** occurring during the policy period shown on the **Declarations Page** and which occur within:

1. any state, territory, or possession of the United States of America, or any province or territory of Canada, including their in-land lakes, rivers, and navigable waterways;
2. the Great Lakes; or
3. ocean waters seventy-five (75) nautical miles or less from the coast of either the United States or Canada, but not including the territory or territorial waters of any country other than the United States or Canada.

### POLICY CHANGES

This policy, **your** insurance application (which is made a part of this policy as if attached hereto), the **Declarations Page**, as amended, and endorsements to this policy issued by **us** contain all the agreements between **you** and **us**. Subject to the following, its terms may not be changed or waived except by an endorsement issued by **us**.

The premium for each **covered watercraft** is based on information **we** have received from **you** or other sources. **You** agree to cooperate with **us** in determining if this information is correct and complete, and **you** will notify **us** if it changes during the policy period. If this information is incorrect, incomplete, or changes during the policy period, **we** may adjust **your** premium during the policy period. To properly insure **your covered watercraft**, **you** must promptly notify **us** when:

1. **you** change **your** address;
2. any resident operators are added or deleted; or
3. **you** acquire an additional or replacement **watercraft**.

Changes that may result in a premium adjustment are contained in **our** rates and rules. These include, but are not limited to, changes in:

1. the number or type of **covered watercraft**;
2. operators using **covered watercraft**;
3. marital status of any operator;
4. coverage, deductibles, or limits of liability; or
5. rating territory or discount eligibility.

Nothing in this provision shall be construed to waive **our** rights under the Fraud or Misrepresentation, Cancellation, or Nonrenewal provisions of this policy.

## TERMS OF POLICY CONFORMED TO STATUTES

If any provision of this policy fails to conform with the legal requirements of the state listed on **your** application as **your** principal place of garaging, docking or mooring **your covered watercraft**, the provision shall be deemed amended to conform with such legal requirements. All other provisions shall be given full force and effect. Any disputes as to the coverages provided or the provisions of this policy shall be governed by the law of the state listed on **your** application as **your** residence.

## TRANSFER

This policy may not be transferred to another person without **our** written consent. If a named insured dies, this policy will provide coverage until the end of the policy period for the legal representative of the named insured, while acting as such, and for persons covered under this policy on the date of the named insured's death.

## YOUR WARRANTIES TO US REGARDING YOUR COVERED WATERCRAFT

**You** warrant and represent to **us** that, at the inception of this policy, **your covered watercraft** is in **seaworthy** condition and that it complies with all published federal safety standards and provisions. Violation of this warranty will void this policy from its inception.

**You** further warrant and represent to **us** that **you** will continue to maintain **your covered watercraft** in **seaworthy** condition and to comply with all federal safety standards and provisions. This policy does not cover any **loss** or damages caused by **your** failure to exercise due diligence to properly manage **your covered watercraft**, to maintain **your covered watercraft** in **seaworthy** condition, or to comply with all federal safety standards and provisions.

## FRAUD OR MISREPRESENTATION

This policy was issued in reliance upon the information provided on **your** insurance application. **We** may cancel this policy and deny coverage under this policy at any time, including after the occurrence of an **accident** or **loss**, if **you**:

1. made incorrect statements or representations to **us** with regard to any material fact or circumstance;

2. concealed or misrepresented any material fact or circumstance; or
  3. engaged in fraudulent conduct;
- at the time of application or in connection with the presentation or settlement of a claim.

## PAYMENT OF PREMIUM AND FEES

In addition to premium, fees may be charged on **your** policy. **We** may charge fees for installment payments, late payments, and other transactions. Payments made on **your** policy will be applied first to fees, then to premium due.

## CANCELLATION

**You** may cancel this policy by calling, writing, or sending an electronic communication to **us**, and stating the future date that **you** wish the cancellation to be effective.

**We** may cancel this policy by mailing a notice of cancellation to the named insured shown on the **Declarations Page** at the last known address appearing in **our** records. If cancellation is for nonpayment of premium, notice will be mailed at least fifteen (15) days before the effective date of cancellation. Notice of cancellation due to any reason other than nonpayment of premium will be mailed at least twenty (20) days before the effective date of cancellation.

After this policy is in effect for more than sixty (60) days, or if this is a renewal or continuation policy, **we** may cancel this policy only for one or more of the following reasons:

1. **you** do not pay the required premium for this policy when due;
2. misrepresentation by **you** of any material fact in the procurement or renewal of this policy or in the submission of any claim under this policy;
3. **you** are convicted of a crime arising out of acts increasing the hazard insured against;
4. **we** discover willful or reckless acts or omissions increasing the hazard insured against;
5. physical changes in the insured property occur after issuance, or the last annual anniversary date, of the policy, resulting in the property becoming uninsurable in accordance with **our** underwriting standards in effect at the time the policy was issued or last voluntarily renewed; or
6. the Superintendent of Insurance determines that the continuation of the policy would violate, or place **us** in violation of, N.Y. Ins. Law §3425.

If **we** have the right to cancel this policy, **we** may instead condition continuation of coverage upon a change of limits or the elimination of any coverage not required by law. **We** will mail a notice to this effect, at least twenty (20) days before the effective date of such action, to the named insured shown on the **Declarations Page** at the last known address for the named insured appearing in **our** records.

With respect to cancellation, this policy is neither severable nor divisible. Any cancellation will be effective for all coverage for all persons and all **covered watercraft** and all **trailers**.

If this policy is canceled, coverage will not be provided as of the effective date and time shown in the notice of cancellation.

The effective date of any cancellation, nonrenewal, conditional renewal or substitute policy, as shown in a notice, may be on a Saturday, Sunday, or public holiday. **We** are available 24 hours a day, 7 days a week to accept payment and to service **your** policy. If payment is mailed, it is considered received the day after postmark.

## **CANCELLATION REFUND**

Upon cancellation, **you** may be entitled to a premium refund. However, **our** making or offering of a refund is not a condition of cancellation.

If this policy is canceled, any refund due will be computed on a daily pro-rata basis.

## **NONRENEWAL**

If **we** decide:

1. not to renew or continue this policy;
2. to condition renewal upon a change of limits or the elimination of any coverage not required by law; or
3. to substitute this policy with another approved policy form containing substantially equivalent coverage;

**we** will mail notice to the named insured shown on the **Declarations Page** at the last known address appearing in **our** records. Notice will be mailed at least forty-five (45) days, but not more than sixty (60) days, before the end of the policy period.

If **we** decide not to renew or continue this policy, the nonrenewal will be effective for all coverages for all persons and all watercraft. For purposes of nonrenewal, this policy is neither severable nor divisible.

The effective date of any cancellation, nonrenewal, conditional renewal or substitute policy, as shown in a notice, may be on a Saturday, Sunday, or public holiday. **We** are available 24 hours a day, 7 days a week to accept payment and to service **your** policy. If payment is mailed, it is considered received the day after postmark.

## **PROOF OF NOTICE**

Proof of mailing of any notice will be sufficient proof of notice. Notice given by or on behalf of an insured person, or by or on behalf of a person making a claim under this policy, to one of **our** licensed agents shall be deemed notice to **us** if the notice sufficiently identifies the insured person.

## **PAYMENT OR PERFORMANCE**

If payment of money or performance of a condition specified by this policy is required within, before or after a period of time computed from a certain day, the last day of

such time period for payment or performance may be any day of the year, including a Saturday, Sunday, or public holiday.

**We** are available by telephone or Internet 24 hours a day, 7 days a week to accept payment and to service **your** policy. If payment is mailed, it is considered received the day after postmark.

## **INSURABLE INTEREST**

Coverage under this policy with respect to a **covered watercraft** only applies while **you** have an insurable interest in that **covered watercraft**.

## **COVERAGE CHANGES**

If **we** make a change that broadens a coverage **you** have under this edition of **your** policy, without additional charge, **you** will receive the broadened coverage. The broadened coverage applies on the date the coverage change is implemented in **your** state. This provision does not apply to a general program revision or **our** issuance of a subsequent edition of **your** policy. Otherwise, this policy can be changed only by endorsement issued by **us**.

## **LEGAL ACTION AGAINST US**

**We** may not be sued unless there is full compliance with all the terms of this policy.

**We** may not be sued for payment under Part I - Liability To Others until the obligation of an **insured person** under Part I to pay is finally determined either by judgment after trial against that person or by written agreement of the **insured person**, the claimant, and **us**. No one will have any right to make **us** a party to a lawsuit to determine the liability of an **insured person**.

If **we** retain salvage, **we** have no duty to preserve or otherwise retain the salvage for any purpose, including evidence for any civil or criminal proceeding.

## **OUR RIGHTS TO RECOVER PAYMENT**

**We** are entitled to the rights of recovery that the insured person to whom payment was made has against another, to the extent of **our** payment. That insured person may be required to sign documents related to the recovery and must do whatever else **we** require to help **us** exercise those recovery rights, and do nothing after an accident or loss to prejudice those rights.

When an insured person has been paid by **us** and also recovers from another, the amount recovered will be held by the insured person in trust for **us** and reimbursed to **us** to the extent of **our** payment. If **we** are not reimbursed, **we** may pursue recovery of that amount directly against that insured person.

If an insured person recovers from another without **our** written consent, the insured person's right to payment under any affected coverage will no longer exist.

If **we** elect to exercise **our** rights of recovery against another, **we** will also attempt to recover any deductible incurred by an insured person under this policy unless **we** are specifically instructed by that person not to pursue the deductible. **We** have no obligation to pursue recovery against another for any loss not covered by this policy.

**We** reserve the right to compromise or settle the deductible and property damage claims against the responsible parties for less than the full amount. **We** also reserve the right to incur reasonable expenses and attorney fees in pursuit of the recovery.

If the total recovery is less than the total of **our** payment and the deductible, **we** will reduce reimbursement of the deductible based on the proportion that the actual recovery bears to the total of **our** payment and the deductible. Reimbursement of the deductible will also be reduced by a proportionate share of collection expenses and attorney fees incurred in connection with these recovery efforts.

These provisions will be applied in accordance with state law.

## **OUR RIGHTS TO INSPECT**

**We**, and any rating, advisory, rate service, or similar organization that makes insurance inspections, surveys, reports or recommendations on **our** behalf, have the right to:

1. make inspections and surveys after providing **you** with reasonable notice;
2. provide **you** reports related to any conditions that **we** identify with respect to a **covered watercraft** or property; and
3. recommend changes with respect to any identified conditions.

This does not mean that **we** or any entity acting on **our** behalf:

1. make safety inspections;
2. undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public;
3. warrant or represent that conditions are safe or healthful;
4. warrant or represent that conditions comply with laws, regulations, codes or standards; or
5. warrant or represent that a **covered watercraft** is in **seaworthy** condition.

## **JOINT AND INDIVIDUAL INTERESTS**

If there is more than one named insured on this policy, any named insured may cancel or change this policy. The action of one named insured shall be binding on all persons provided coverage under this policy.



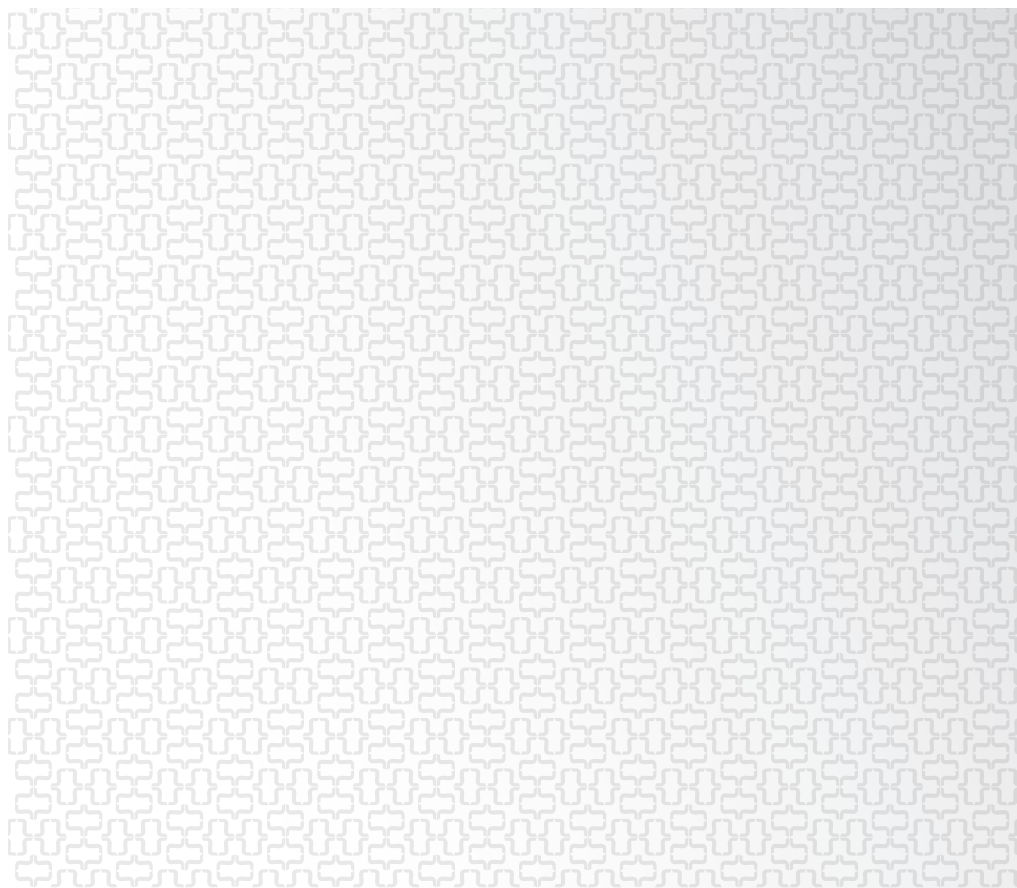
## **BANKRUPTCY**

The bankruptcy or insolvency of an insured person will not relieve **us** of any obligations under this policy. If a judgment against an insured person remains unsatisfied after thirty (30) days because of the bankruptcy or insolvency of the insured person, a person claiming damages under Part I - Liability To Others may maintain an action against **us** for the amount of the judgment subject to the terms and conditions of this policy and not exceeding **our** Limits of Liability under Part I.





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\*2649 NY 1106\*

