

HIGH PERFORMANCE PROGRAM POLICY QUICK REFERENCE

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***This is not a complete and valid insurance policy without
an accompanying Declarations Page.***

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HIGH PERFORMANCE PROGRAM POLICY

AGREEMENT AND DEFINITIONS

AGREEMENT

This is a legal contract between you and us. We will provide the insurance coverage described in this policy in return for the premium and the compliance by all covered persons with all applicable provisions of this policy.

DEFINITIONS

Throughout this policy, **you** and **your** refer to the **named insured** as shown in the Declarations Page, and **we, us** and **our** refer to the **company providing this insurance**. In addition, certain words and phrases are defined as follows:

Insured Property is defined as:

- a. the vessel(s) shown on the Declarations Page, including furniture, dinghies, fittings and other equipment normally required for the operation or maintenance of the vessel; moorings, cradles and sports equipment are excluded;
- b. outboard motor(s), or machinery attached inside or outside the vessel, including the engine, outdrive unit, drive shaft, propeller, jet pump, rudder, or components of any of the preceding items;
- c. any vessel that you acquire ownership of during the Policy Period; however, you must notify us within fifteen (15) days of the time you acquire the vessel and pay any additional premium required; in the event of loss during this period, we will pay no more than its cost to you or the insured value of the vessel as shown on the Declarations Page, whichever is less.

Covered person is defined as you, or any person or legal entity operating your vessel(s) as shown on the Declarations Page, for private pleasure use with your direct and prior permission. It does not include:

- a. any paid captain or crew member;
- b. any person or legal entity operating, or employed by, or the agent of a marina, boat repair yard, yacht club, sales agency, boat service station or other similar organization.

However, we will cover your liability for bodily injury or property damage caused by any of these people or organizations.

Latent Defect is a flaw in the material which is existing at the time of the building of the vessel or her machinery and which is not discoverable by the assured by ordinary methods of testing.

Tropical Depressions, Tropical Storms, Hurricanes and Nor'easters are defined as those so designated by the National Weather Service and/or the National Hurricane Center.

Actual Cash Value means the fair market value of the insured property at the time of loss.

Sports Equipment means fishing gear, jet skis, waverunners, snorkeling and scuba gear. It also includes water skis and other items designed for being pulled behind the insured vessel.

Uninsured Boater and Uninsured Owner-Operator means any owner or operator of a vessel other than the vessel named in this policy, who is legally responsible for the accident and:

- a. to whom no liability policy applies;
- b. who cannot be identified, such as a hit-and-run operator.

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PART A: PROPERTY DAMAGE COVERAGE

PERILS INSURED AGAINST: We will provide coverage for accidental, direct physical loss or damage to your insured vessel as well as salvage charges, except as specifically excluded in this policy.

OVERLAND TRANSPORT: We will provide coverage within a 250-mile radius of your home address while your vessel is being transported overland, including loading and unloading, and against loss or damage caused by:

- a. fire and lightning;
- b. cyclone, tornado or windstorm;
- c. flood;
- d. collision, i.e., as respects motor vehicle or trailer, accidental collision of the vehicle with any other automobile, vehicle or object, excluding, however, contact with any portion of the roadbed, curbing, or stationary objects while backing up for loading or unloading purposes;
- e. derailment and overturn of transporting conveyance, but excluding marring, denting or scratching unless caused by the above perils; we will provide coverage while your vessel is being transported overland including loading and unloading.

EXCLUSIONS: We do not provide coverage under Part A: Property Damage Coverage against loss or resulting damage from:

- a. wear and tear, mechanical breakdown, gradual deterioration, weathering, insects, mold, animals, marine life, ice, freezing or extremes of temperature;
- b. marring, scratching or denting;
- c. osmosis or blistering;
- d. manufacturer's defects, defects in designs or latent defects;
- e. electricity, other than lightning, unless fire results, and then only for the loss caused by the resulting fire;
- f. maintenance operations, repairing, or adjusting unless fire or explosion results, and then only for the loss caused by the resulting fire or explosion;
- g. corrosion, except electrolytic (stray current) corrosion.

MYSTERIOUS DISAPPEARANCE AND/OR THEFT: The coverage provided herein does not insure the mysterious disappearance and/or theft of any covered property unless:

- a. there is visible evidence of forcible entry into the cabin of the insured vessel;
- b. there is visible evidence of forcible removal of covered properties from the insured vessel;
- c. there is a theft of the entire vessel, and only if the vessel is:
 - 1) in the water, or on a hydra-hoist, at the time of the theft; or
 - 2) in a locked, fenced yard; or
 - 3) in a locked garage or in a locked, completely enclosed building; or
 - 4) chained and locked to a permanent, stationary object or towing vehicle.

EQUIPMENT ON SHORE: We will provide coverage for all insured property removed temporarily from your vessel for storage on shore. Such coverage shall in no event exceed 50% of the hull coverage as shown on the Declarations Page. The amount of insurance on the vessel will be reduced by the amount covered on shore.

DEDUCTIBLE AMOUNT

- a. we will adjust each claim separately for a covered loss to your insured property; the amount of each adjusted claim will be automatically reduced by the Deductible Amount shown on the Declarations Page; no deductible will be applied in the event of a total loss to your vessel, except for conditions outlined in paragraph **b** below; for deductible purposes, we will treat any two or more covered losses resulting from the same accident or occurrence as one claim;
- b. we will apply a separate property damage deductible to losses caused by wind, rain, waves or hail when those losses are the result of either a Tropical Depression, Tropical Storm, Hurricane or Nor'easter; this deductible will be in lieu of the Part A: Property Damage Coverage Deductible Amount shown on the Declarations Page, and will be applied to the amount of each loss; it will be applicable to all partial, total or constructive total losses; the deductible amount will equal three times the Part A: Property Damage Coverage Deductible Amount on the Declarations Page, or \$2,500, whichever is greater.

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LOSS SETTLEMENT: In the event of loss or damage to your insured property, we will pay the lowest of the following amounts:

- a. the Part A: Property Damage Coverage limit as shown on the Declarations Page;
- b. the actual cash value at the time of loss;
- c. the cost to repair subject to depreciation;
- d. the cost of replacement.

In the event of loss or damage to machinery inside or outside the insured vessel, the most we will pay for repairs or replacement, including labor, shall not exceed 25% of the Part A: Property Damage Coverage limit as shown on the Declarations Page.

On vessels with metal flake paint or specially painted designs and/or lettering, losses will be settled as if the vessel had only regular paint.

In case of loss to a pair or set, we may elect to:

- a. repair or replace any part to restore the pair or set to its value before the loss; or
- b. pay the difference between the actual cash value before and after the loss.

We will pay for a total loss to your vessel and other covered property only if:

- a. the vessel is completely lost or destroyed;
- b. the cost of recovering and/or repairing the vessel is greater than the amount of insurance shown on the Declarations Page.

We have the option of either repairing or replacing any part of the property damaged or stolen with equivalent property.

The cost of repairs shall be determined by yacht repair yards, equipment repairers or surveyors agreeable to the company.

The amount we will pay for a total loss shall be reduced by the amount paid for repairs of prior covered damage not completed at the time of the total loss.

SALVAGE CHARGES: We will pay for salvage charges you incur arising from a covered loss. Payments for salvage charges will be in addition to any other payments we make for losses covered by this policy. However, the most we will pay for salvage charges is 25% of the Part A: Property Damage Coverage limit shown on the Declarations Page. The Part A: Property Damage Coverage Deductible Amount does not apply to this coverage.

COMMERCIAL TOWING AND ASSISTANCE: We will provide additional protection in the event there is an emergency situation where you and your vessel are not in imminent danger. The coverage shall be deemed excess over all other valid and collectible towing assistance benefits. We will reimburse you for the reasonable costs you incur, not to exceed a total of \$500, resulting from the following services to your vessel if help is not available and you must obtain commercial assistance:

- a. towing to the nearest place where necessary repairs can be made;
- b. delivery of fuel, oil, parts or loaned battery (excluding the cost of these items themselves) and emergency labor, while away from safe harbor.

Neither the policy deductible, nor the OTHER INSURANCE paragraph under GENERAL PROVISIONS IN THE EVENT OF LOSS, apply to this coverage.

PART B: LIABILITY COVERAGE

PERILS INSURED AGAINST: we will pay sums that you or a covered person become legally obligated to pay as a result of the ownership, operation or maintenance of your insured vessel because of:

- a. attempted or actual raising, removal or destruction of the wreck of your insured property;
- b. failure to raise, remove or destroy the wreck of your insured property;
- c. bodily injury or loss of life;
- d. loss or damage to any property;
- e. pollution as specified in the Oil Pollution Act of 1990.

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EXCLUSIONS: We do not provide coverage under Part B: Liability Coverage for:

- a. liability of other covered persons to you, your spouse or other persons who reside in your household;
- b. liability assumed by you under any contract or agreement;
- c. liability that arises while your insured property is being conveyed except at the point the vessel is hauled out of the water or launched;
- d. fines or other penalties that any government unit requires you to pay;
- e. punitive damages;
- f. bodily injury or property damage arising out of parasailing or scuba diving;
- g. the insured trailer;
- h. paid crew.

LIMITS OF LIABILITY: We will pay no more than the amount of insurance shown on the Declarations Page for all damage or losses resulting from:

- a. any one accident or occurrence; with respect to pollution as specified in the Oil Pollution Act of 1990, we will pay no more than \$500,000 to satisfy your statutory limit of liability;
- b. any series of accidents or occurrences arising out of the same event; this is the most we will pay regardless of the number of covered persons involved, claims made, vessels or premiums shown on the Declarations Page or the number of vessels involved.

PART C: MEDICAL PAYMENTS COVERAGE

PERILS INSURED AGAINST: We will pay for reasonable medical, ambulance, hospital, professional nursing and funeral costs that become necessary due to accidental bodily injury to persons injured while in, upon, boarding, leaving or towed behind your insured vessel. We will pay only for those costs incurred within one year of the date of accident.

EXCLUSIONS: We do not provide coverage under Part C: Medical Payments Coverage for:

- a. any employee of yours injured while in the course of employment or while using, maintaining or repairing your insured property;
- b. any responsibility for payment assumed by you under contract or agreement;
- c. anyone who is injured while your insured property is being conveyed, hauled out or launched;
- d. anyone to or for whom benefits are payable under any state or federal compensation law or act;
- e. anyone who is injured while parasailing or scuba diving.

LOSS SETTLEMENT: Our liability in any one accident shall not exceed the amount of insurance shown for Part C: Medical Payments Coverage as shown on the Declarations Page, regardless of the number of persons involved or claims made in the accident. Any payment made under Part C: Medical Payments Coverage shall reduce the amount payable under Part B: Liability Coverage or Part D: Uninsured Boater Coverage.

MEDICAL PAYMENTS PROOF-OF-LOSS: A written, sworn proof of loss must be filed with us by any person seeking payment by us under the Part C: Medical Payments Coverage, or by someone on his/her behalf. This proof-of-loss must include:

- a. the name and address of each person and organization performing covered services;
- b. the nature, extent and dates of these services; and
- c. itemized charges and any sums already paid.

This proof of loss must be filed:

- a. as soon as reasonably possible after completion of services;
- b. as soon as reasonably possible after the cost of services being provided equals the amount of our liability under Part C: Medical Payments Coverage on the Declarations Page;
- c. within one year of the date of the accident, whichever of the above occurs first.

ADDITIONAL REQUIREMENTS: Each person seeking payment by us under Part C: Medical Payments Coverage must:

- a. submit to a physical examination by a physician selected by us when and as often as we reasonably require; we will pay for the cost of the examination; and
- b. provide us with written authorization for release to us of copies of pertinent medical reports and records.

ADMISSION OF LIABILITY: Any payment made under this section is not an admission of liability by you or us.

PART D: UNINSURED BOATER COVERAGE

PERILS INSURED AGAINST: We will pay for the damages which, because of bodily injury received aboard your vessel, you are legally entitled to recover from the uninsured owner or operator of another vessel.

EXCLUSIONS: We do not provide coverage under Part D: Uninsured Boater Coverage:

- a. for claims settled without our written consent;
- b. if the uninsured vessel is owned by a government agency or unit;
- c. for vessels owned by or furnished for your regular use, or the use of a member of your immediate family or any person insured by this policy;
- d. for an insured using a vessel without permission;
- e. where no evidence of physical contact exists between your vessel and an unidentified vessel, or where no evidence of physical contact exists between your vessel and an uninsured vessel.

LOSS SETTLEMENT: The amount shown for Part D: Uninsured Boater Coverage on the Declarations Page is the most we will pay under Part D, regardless of the number of insured persons, claims made, or vessels involved in any one accident or series of accidents arising out of the same event. This coverage will not apply directly or indirectly to the benefit of any insured under any state or federal compensation law or act. Payment made for this coverage to or for an insured person will reduce the amount that person is entitled to recover from the Part B: Liability Coverage of this policy.

PART E: FEDERAL LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION INSURANCE

When insurance is provided under Part B: Liability Coverage, insurance is also provided under this section. We will provide coverage for any liability which you, as owner of the insured property, incur during the term of the policy under Part F: Federal Longshoremen's and Harbor Workers' Compensation Insurance.

PART F: VESSEL TRAILER COVERAGE

PERILS INSURED AGAINST: We will provide coverage for all accidental, direct physical loss or damage to any trailer listed on the Declarations Page, but only:

- a. if used exclusively for transporting the vessel; and
- b. while located in the continental United States including Alaska, Hawaii, Puerto Rico or Canada.

EXCLUSIONS: We do not provide coverage under Part F: Vessel Trailer Coverage against loss or resulting damage from:

- a. wear and tear, mechanical breakdown, gradual deterioration, weathering, insects, mold, animals, marine life, ice, freezing or extremes of temperature;
- b. marring, scratching or denting;
- c. osmosis, blistering, electrolysis or corrosion;
- d. manufacturer's defects, defects in designs or latent defects;
- e. electricity, other than lightning, unless fire results, and then only for the loss caused by the resulting fire;
- f. weight of a load exceeding the rated capacity of a trailer.

DEDUCTIBLE AMOUNT: We will adjust each claim separately for a covered loss to your insured property. The amount of adjusted claim will be automatically reduced by the Deductible Amount shown on the Declarations Page. We will treat each covered loss as a separate claim. For deductible purposes, we will treat two or more covered losses resulting from the same accident or occurrence as one claim.

LOSS SETTLEMENT: In the event of Loss or damage to the vessel trailer, we will pay the lowest of the following amounts:

- a. the Part F: Vessel Trailer Coverage limit as shown on the Declarations Page;
- b. the actual cash value at the time of loss;
- c. the cost to repair subject to depreciation;
- d. the cost of replacement.

PART G: PERSONAL PROPERTY COVERAGE

PROPERTY COVERED: We will cover clothing and personal effects that belong to you or members of your family while these items are on board your vessel or are being loaded or unloaded, but only while the insured vessel is afloat. We will not cover sports equipment, money, jewelry, traveler's checks or any other valuable papers or documents.

EXCLUSIONS: We do not provide coverage under Part G: Personal Property Coverage against loss or resulting damage from:

- a. wear and tear, mechanical breakdown, gradual deterioration, weathering, insects, mold, animals, marine life, ice, freezing or extremes of temperature;
- b. marring, scratching or denting;
- c. osmosis, blistering, electrolysis or corrosion;
- d. manufacturer's defects, defects in designs or latent defects;
- e. electricity, other than lightning, unless fire results, and then only for the loss caused by the resulting fire.

CAUSES OF LOSS WHICH ARE COVERED: We will cover accidental direct physical loss or damage, except as specifically excluded in this policy.

DEDUCTIBLE: We will adjust each claim separately for a covered loss to your insured property. The amount of adjusted claim will be automatically reduced by the Deductible Amount shown on the Declarations Page. We will treat each covered loss as a separate claim. For deductible purposes, we will treat two or more covered losses resulting from the same accident or occurrence as one claim.

LOSS SETTLEMENT: In the event of loss or damage to your insured property, we will pay the lowest of the following amounts:

- a. the Part G: Personal Property Coverage limit as shown on the Declarations Page;
- b. the actual cash value at the time of loss;
- c. the cost to repair subject to depreciation;
- d. the cost of replacement.

The OTHER INSURANCE paragraph under GENERAL PROVISIONS IN THE EVENT OF LOSS does not apply to PART G: PERSONAL PROPERTY COVERAGE.

GENERAL CONDITIONS AND EXCLUSIONS

POLICY PERIOD: This policy applies only in the event of an accident or loss which occurs during the Policy Period as shown on the Declarations Page.

EXTENSION OF COVERAGE: If the Navigational Limits or Lay-Up Warranty shown on the Declarations Page are breached due to matters beyond your control, the policy will remain in effect, but only if you give us written notice of the breach within 10 days after the breach and pay any additional premiums due us for this extension of coverage. If the Navigation Limits or Lay-Up Warranty are breached voluntarily, there shall be no coverage under this policy without both prior notice to us and approval by us.

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NON-OWNED VESSEL: We do not provide any coverage for non-owned vessels you may operate.

RACING: We will not pay for any loss that occurs while the insured vessel is being operated in any race or speed test.

BROADENING COVERAGE: If, during the Policy Period, we make any revision to this policy, which broadens the coverage without additional premium, the broadened coverage will apply as of the effective date of such revision.

POLICY PREMIUM AND RENEWAL: The premium shown on the Declarations Page is the initial premium for this policy. If we agree to renew or continue the policy, then at the time of each renewal or continuation of, on the policy anniversary date, the premium for the renewal or continuation will be computed by us according to our premium rules, forms and guidelines then in use.

CHANGES IN POLICY: This policy contains all of the agreements between you and us. Its terms may not be changed or waived except by an endorsement issued by us. If a change requires a premium adjustment, we will adjust the premium as of the effective date of the policy change.

CONFORMITY TO STATE LAW: When a provision of this policy is in conflict with the applicable law of the state in which this policy is issued, then the law of the state shall apply.

CANCELLING THE POLICY: You may cancel this policy by returning it to us or our authorized agent, or by advising us or our authorized agent in writing, stating the future date you want it to be cancelled. We may cancel this policy by delivering or mailing to you at your last address shown on our records, written notice stating when, not less than 15 days after mailing, the policy will be cancelled. Delivery or mailing of this notice to you shall be sufficient proof that notice of cancellation was given. The date of the cancellation stated in the notice shall become the end of the Policy Period.

RETURN PREMIUMS: If this policy is cancelled, you may be entitled to a premium refund. If we cancel the policy, any return premium will be computed on a pro-rata basis. If you cancel the policy, any return premium will be computed on a 90% pro-rata basis. No premiums will be returned to you if we have paid you for a total or constructive total loss of the vessel insured under this policy. Any return premium will be paid to you as soon as possible after the cancellation.

USE OF VESSEL: We do not provide any coverage while your insured property is used for any type of charter, to carry passengers for hire, to carry property for a fee or for any other commercial use. We will provide coverage while you are attempting to aid other vessels in distress, provided there is no consideration for your services.

TRANSFER OF INTEREST: All coverage provided by us will terminate upon the sale, assignment, transfer or pledge of the insured property or of this contract unless prior written consent has been obtained from us.

CONCEALMENT, MISREPRESENTATION OR FRAUD: All coverage provided by us will be voided from the beginning of the Policy Period if you intentionally conceal or misrepresent any material fact or circumstance relating to this contract of insurance, or the application for such insurance, whether before or after a loss.

DISHONESTY, ILLEGAL OR INTENTIONAL ACTS: We do not pay for loss or damage caused by the dishonest, illegal or intentional acts of any covered person, or any person to whom your insured property is entrusted, regardless of whether or not such person is convicted of such an act by a criminal court.

NO BENEFIT TO OTHERS: No person or organization, which has custody of your insured property and is to be paid for services, will benefit from this insurance.

WAR, CONFISCATION AND RADIOACTIVE CONTAMINATION: We do not provide any coverage for loss or damage due to:

- a. war, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by military force or military personnel, destruction or seizure for military purpose and including any consequence of these;
- b. the lawful or unlawful capture, seizure, confiscation, requisition, detainment of your vessel by a civil or military authority or an attempt at any of these;
- c. radioactive contamination.

GENERAL PROVISIONS IN THE EVENT OF LOSS

PROTECTION AGAINST LOSS: If your vessel or other property covered by this policy is damaged, you must take all reasonable steps to protect it from further damage. We will reimburse you for reasonable expenses for protecting the property from further damage. Payments for protecting damaged property will be in addition to any other payments we make for losses covered by this policy. However, the most we will pay for protecting damaged property is the coverage limit which applies to that property.

ABANDONMENT: If we take any steps to protect damaged property, this does not mean we are accepting an abandonment of the property. And, if you take steps to protect damaged property, this does not mean you are waiving any rights you have to abandon the property.

NOTICE OF LOSS: You must report in writing to us, or our authorized agent, as soon as possible after the occurrence of any accident, loss, damage or expense that may be covered under this policy. This notice should state when, where and how the event occurred, and should include the names and addresses of any witnesses. You are also required to notify the police and file a police report as soon as you are aware that your property has been stolen or vandalized. If you do not provide the notice to us as required under this section as soon as possible, any claim for such loss under this policy will be voided.

PROOF-OF-LOSS: You must file with us, or our authorized agent, as soon as possible after our written request, a detailed proof-of-loss signed and sworn to by you setting forth to the best of your knowledge, the facts of the loss. We may also require you to submit to an examination under oath. See Part C: Medical Payments Coverage for special proof-of-loss requirements for medical payments claims.

CLAIM OR SUIT AGAINST YOU: If a claim is made or suit is brought against you for liability that may be covered under this policy, you must immediately notify us and send us every demand, notice, summons or other legal papers received by you or your representative. We will pay the ensuing cost of the suit. We will also have the option of naming attorneys to represent you. Payments for the cost of your legal defense will be in addition to payments we make under your coverage for liability claims against you.

ASSISTANCE AND COOPERATION: Any person making a claim must:

- a. cooperate with us in the investigation, settlement or defense of any claim or suit under this policy;
- b. assist us in the enforcement of any right of contribution or indemnity against any person or organization which may be liable to any covered person;
- c. allow us to inspect and appraise all damaged property, not stolen or otherwise unrecoverable, before it is repaired or disposed of;
- d. sign a written authorization permitting us to obtain medical files and other pertinent records;
- e. submit at our expense and as often as we reasonably require, to a physical examination by physicians we select and at the time and place we select;
- f. not assume any obligation or admit any fault or liability that you or we may be liable for without first obtaining our written consent; and
- g. not incur any expenses that we may be liable for without first obtaining our written consent; the only expenses you may incur without obtaining our written consent are those covered under Part C: Medical Payments Coverage of this policy, or as described in General Provisions In The Event Of Loss in the Protection Against Loss section.

PAYMENT OF LOSS: Unless a claim has been paid by others, we will pay for any loss covered under this policy within 60 days after both the detailed sworn proof of loss and proof of your interest in the insured property are given to us.

OUR RIGHT TO RECOVER:

- a. if we make a payment under this policy and the person to or for whom payment was made has the right to recover from another for the covered loss, we will be subrogated to that right; that person will do whatever is necessary to enable us to exercise our rights and will do nothing after the loss to prejudice them;
- b. if we make a payment under this policy and the person to or for whom payment is made, recovers damages from another, that person will hold the proceeds of the recovery for us and will reimburse us to the extent of our payment.

SALVAGE: If we have made payment under this policy for loss or damage, and if there is salvage or recovery as a result of that loss or damage, we have the right to recover that salvage or recovery to the extent of our payment.

SUIT AGAINST US: You may not bring a suit against us unless you have complied with all terms and conditions of this policy. In addition:

- a. with respect to any claim or loss to insured property, any suit against us must commence within one year of the date of loss or damage;
- b. with respect to any other claim for loss, no suit may be brought against us until the amount of the covered person's obligation to pay has been determined by final judgments after trial or by written agreement signed by you, us and the claimant; any such legal action against us must commence within one year of the date of judgment or written agreement;
- c. no one shall have any right to join us as a party to any action against a covered person;
- d. if any time limitations of this policy are prohibited or invalid under the law, then legal action against us must be commenced within the shortest limitation of time permitted by such law.

COINSURANCE: In the event the insured property is not insured to its full actual cash value at the time of loss, we will only pay that amount of the loss equal to the proportion that the limit of liability shown in the Declarations Page bears to its actual cash value. If two or more items are covered under this policy, this condition applies to each item of insured property separately.

OTHER INSURANCE: If any covered person has any other insurance against a property damage loss covered under this policy, we will not pay for any greater proportion of the loss than our applicable amount of insurance stated on the Declarations Page bears to the total amount of insurance covering the loss. With respect to a liability, medical payments and/or uninsured boater loss, any insurance provided by this contract shall be deemed excess over all other valid and collectible insurance.

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