

This is an actual denial letter from a leading United States Boat Insurance Company. We removed the insured's information and the name of the insurance company. This company's exclusion reads "we do not provide coverage ... against loss or resulting damage from: a. wear and tear, gradual deterioration,

If this boat was insured by our Boaters Assistance Program, It would have been covered. If water enters the boat from the body of water that it is sitting in, we consider that a sinking. It's ALWAYS covered.

Re: Insured: _____
Insurance Company: _____ Insurance Company
Policy Number: _____
Date of Loss: _____
Claim Number: _____

Dear _____

_____, Insurance Company, issued a Recreational Marine Insurance Policy, number _____ to named insured: _____ (the "Policy"). The Policy has effective dates of: _____ and has limits of \$_____. _____.

Previously, we acknowledged receipt of the information you provided regarding the loss involving the _____.

As you are aware, _____ was assigned to investigate the cause of the loss to your vessel. We have received and reviewed _____ report.

The investigation into your claim has determined that the water entry into your vessel was due to split and cracked shift cable bellows. These cracks are due to wear and tear and gradual deterioration, over an extended period of time.

After completing our review coupled with the terms and conditions of the Policy, Insurance Company has determined that the damage is not covered under the Policy since the cause of the loss was due to wear and tear and gradual deterioration over an extended period of time.

I direct your attention to the Policy, which provides coverage as follows:

"PART A: PROPERTY DAMAGE COVERAGE

→ cause of loss

→ coverage denial

PERILS INSURED AGAINST: We will pay for Property Damage to the Insured Vessel caused by an Occurrence as well as Protection Against Loss and Salvage charges, except as excluded in this policy or by endorsement...

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

wording used
to exclude

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- a. wear and tear, gradual deterioration, weathering, neglect, lack of reasonable care or due diligence in the maintenance of the Insured Vessel;
 - b. insects, mold, animals or marine life; however, Property Damage coverage is provided for;
 - i. engines, generators, or pumps due to the attachment of zebra mussels;
 - ii. collision with marine mammals;
 - iii. muskrats or sea lions when their actions result in the sinking or submersion of the Insured Vessel;
 - c. marring, scratching or denting;
 - d. osmosis or blistering;
 - e. manufacturer's defect(s) or manufacturer's defect(s) in designs;
 - f. a Latent Defect; however, resulting damage caused by a Latent Defect is covered;
 - g. corrosion, except electrolytic (stray current) corrosion.
 - h. transportation onboard a cargo vessel or during loading or unloading, excepting a passenger/car ferry used as a means of conveyance while the Insured Vessel is upon a trailer owned by you;
 - i. Fungi, bacteria and the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of Fungi or bacteria..."

→ Based on the foregoing, coverage does not apply to this matter since the loss was due to wear and tear and gradual deterioration over an extended period of time.

Loss Excluded

Insurance Company reserves the right under the policy and applicable law to cite additional policy provisions and coverage defenses as may be appropriate. This letter should not be construed as a waiver of any known or unknown defense that we may have under the policy, nor does this letter waive or change any provisions or conditions in the policy. This letter is premised upon information we currently have available to us and upon the terms and conditions of the policy.

If you believe our decision is made in error or without consideration of additional facts or information of which we are not presently aware, please notify the undersigned and provide any additional information and documentation for our further review. Upon receipt of such information we will gladly review our coverage position and provide you with an additional explanation. I can be reached at