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# Boater's Assistance Watercraft Insurance Policy



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## BOATER'S ASSISTANCE WATERCRAFT INSURANCE POLICY

### TABLE OF CONTENTS

	<u>Beginning on Page</u>
<b>Agreement</b> .....	1
<b>Definitions</b> .....	1
<b>Exclusions Applying to All Coverages</b> .....	2
<b>Section I - Watercraft Damage Insurance</b> .....	3
<b>Section II - Liability Insurance</b> .....	6
<b>Section III - Insurance for Medical Expenses</b> .....	8
<b>Section IV - Trailer/Boat Lift Insurance</b> .....	8
<b>Section V - Tender Insurance</b> .....	9
<b>General Conditions</b> .....	9

### IMPORTANT NOTICE

This policy is a legal contract between **you** and **us**. Some of the key terms are displayed in bold type and defined on Page 1. It is **your** responsibility to be aware of, and comply with, the limitations and conditions of this policy. First, review **your** Declarations to confirm the coverages and limits **you** purchased. Then carefully read **your** policy including all endorsements. This is especially important since watercraft policies differ between insurance companies. Pay particular attention to the coverage exclusions and the reduced coverage limits that apply in some situations.

# INFORMATION ONLY

## AGREEMENT

We agree to provide insurance for the Coverages that **you** have purchased. The insurance is subject to the conditions and terms described in this Policy.

## DEFINITIONS

### DEFINITIONS USED IN THIS POLICY

1. "**Accident**" means a direct and sudden event which results in **bodily injury, property damage, or loss** which an **insured person** does not expect or intend.
2. "**Betterment**" means the increased value of property after a **loss**, when repair or replacement results in better than like kind or quality.
3. "**Bodily injury**" means physical injury to the body of a person including resulting death. Not included are communicable diseases or sickness.
4. "**Commercial purpose**" means any use of the **insured watercraft** for which an **insured person** receives, or intends to receive, money, professional endorsements (includes but not limited to paid entry fees, improvements to the **insured watercraft**, provided equipment or machinery, corporate sponsorship, etc.), supplemental income or other economic benefits. It does not include an **insured person**:
  - a. sharing operating costs of a trip with guests;
  - b. receiving prizes for participating in water skiing tournaments, local sailing regattas, and poker runs;
  - c. participating in fishing tournaments unless the insured person received more than 50 (fifty) percent of their annual income on a gross basis through professional endorsements (as described in 4. above), expected income or other economic benefits relating to fishing tournaments.
5. "**Diminution in value**" means the actual or perceived reduction in market or resale value that may allegedly result from a **loss**.
6. "**Family member**" means a parent, spouse, son or daughter (whether natural, adopted, or step-) residing in the same household.
7. "**Ingestion**" means water, earth, debris or plant life entering into any engine, transmission,

mechanical or electrical part.

8. "**Insured person**" means:
    - a. **you**;
    - b. a **family member**;
    - c. a person or organization operating or responsible for the operation of the **insured watercraft** with:
      - (1) **your** direct knowledge and express permission; or
      - (2) the direct knowledge and express permission of **your** spouse, if **you** are a natural person and are legally married.
- The definition of "**insured person**" does not include:
- a. a captain or crew member who receives money or other benefits for operating the **insured watercraft**;
  - b. a person or organization (including that person's or organization's agents or employees) conducting **marine business**.
9. "**Insured Watercraft**" means the watercraft shown in the Dec, including its customary communication, navigation, safety, and operating equipment. **Other electronics** are also included. Not included are:
    - a. trailers;
    - b. tenders (dinghies);
    - c. fishing or sporting equipment;
    - d. fuel and consumables.
    - e. personal computer equipment and software;
    - f. cassettes, tapes, compact disks, and similar items used for the storage of video, sound, or electronic data.
  10. "**Loss**" means physical loss of or damage. **Loss** does not include diminution of value or loss of use.
  11. "**Marine business**" means making, repairing, servicing, towing, chartering, renting, or selling watercraft; or operating a marina, boatyard, yacht club, or watercraft school; or any other commercial marine activity.

# INFORMATION ONLY

12. **"Named storm"** means a tropical depression, tropical storm or hurricane (or any subsequent spawned tornadoes, flooding, or wind) as those so designated by the National Weather Service and/or the National Hurricane Center.
13. **"Other electronics"** means permanently installed electronic equipment aboard the **insured watercraft** that is not primarily designed and used for navigation or communication, but is commonly found installed aboard comparable watercraft. Included are radios, televisions, stereos, compact disc players, cassette players, and loud speakers. Not included are:
- personal computer equipment and software;
  - cassettes, tapes, compact disks, and similar items used for the storage of video, sound, or electronic data.
14. **"Policy Territory"** means:
- no more than:
    - 50 miles from a safe port, harbor, or anchorage in the United States or Canada, if the **insured watercraft** is 24 feet or less in length;
    - 150 miles from a safe port, harbor, or anchorage in the United States, Canada, or the Pacific Coast of Mexico (not south of Rio Santo Tomas, Mexico), if the **insured watercraft** is greater than 24 feet in length;
  - international shared lakes that are divided by the border of the United States and Mexico, subject to the following:
    - Your insured watercraft** must be launched and begin navigation on the shared lake in the United States; and
    - You** do not dock or make port in Mexico unless there is an **accident**.
- With the exception of Canada and the waters of Mexico defined above, navigation into the territorial waters of any foreign country or province is not permitted. This includes (but is not limited to) the Bahamas and Cuba.
15. **"Property damage"** means physical damage to or destruction of tangible property.
16. **"Salvage charges"** mean the charges for which **you** are liable under maritime law resulting from the voluntary rescue of the **insured watercraft**.
17. **"Unseaworthy"** and **"unseaworthiness"** mean a vessel, its machinery and equipment:
- that are not reasonably fit for its intended use because of neglect or a lack of maintenance;
  - that are not in a reasonable state of repair and can be damaged by ordinary weather, calm water, or through normal intended use.
18. **"Watersports"**:
- means the activity of a person or persons being towed by the **insured watercraft** while upon water-skis, wakeboards, inflatable tubes, or similar devices specifically designed for towing persons; and
  - concludes when all persons involved in **watersports** activities have been taken safely aboard the **insured watercraft** or have landed safely in another location out of water.
- Watersports** does not include parasailing, spinnaker flying, kite skiing, hang gliding, or similar activity involving tethered flight or subsequent release.
19. **"Workers' compensation"** means compensation prescribed by any state or federal law for **bodily injury** to a employee during the course of employment.
- This includes, but is not limited to, any employment, unemployment, disability, workers' compensation, occupational disease law, Jones Act, Federal Longshoremen's and Harbor Workers' Compensation Act, or any other state or federal workers' law.
20. **"We"**, **"us"**, and **"our"** mean the insurance company identified in the Dec.
21. **"You"** and **"your"** mean the Named Insured identified in the Dec.
15. **"Workers' compensation"** means compensation prescribed by any state or federal law for **bodily injury** to a employee during the course of employment.
- This includes, but is not limited to, any employment, unemployment, disability, workers' compensation, occupational disease law, Jones Act, Federal Longshoremen's and Harbor Workers' Compensation Act, or any other state or federal workers' law.

## EXCLUSIONS APPLYING TO ALL COVERAGES

(See also Additional Exclusions in each Coverage Section.)

This Policy does not cover **bodily injury, property damage, or loss**:

- When the **insured watercraft** is:
  - outside of the **policy territory**.

# INFORMATION ONLY

See Ensuing  
Consequential  
Loss On Page 4 of  
11.

- b. used for a **commercial purpose** or **marine business**;
  - c. used unlawfully to traffic in or carry persons, drugs, narcotics, or other property;
  - d. owned in whole or in part by someone other than **you** or **your** spouse;
2. Arising out of:
- a. declared or undeclared war, civil war, riot or revolt;
  - b. the detonation of a nuclear device or radioactive contamination from any source.

(3) are determined by an arbitration board in the United States that **you** and **we** agree to authorize for this purpose.

## 2. ADDITIONAL EXCLUSIONS

**We** will not pay for **loss** arising out of:

- a. mechanical, engine, transmission, electrical, or structural failure;
- b. wear and tear, deterioration, weathering, corrosion, rust, metal fatigue, or electrolysis;
- c. dampness of atmosphere, rot, dry rot, mold, or mildew;
- d. marring, scratching, denting, chipping, delamination, or osmotic blistering;
- e. engine overheating, inadequate lubrication, fuel contamination, abnormal combustion, misalignment of mechanical components, or improper shifting of transmission gears at high speed;
- f. faulty manufacture or defect in design;
- g. improper repair;
- h. freezing, thawing, or contact with ice, when the condition is expected or anticipated and the **insured watercraft** was not prepared for cold weather storage or winterized to the standards of the manufacturer or accepted marine standards;
- i. birds, rodents, insects, animals, vermin, and marine life except if **loss** is caused by collision;
- j. power surge or interruption to electrical device, other than lightning;
- k. **ingestion** not caused by an **accident**;
- l. a **named storm** if "NAMED STORM COVERAGE IS EXCLUDED" appears on the Dec;
- m. **unseaworthiness**;
- n. **diminution in value**;
- o. transporting the **insured watercraft** over land when:
  - (1) the weight of the **insured watercraft** exceeds the registered weight capacity of the transporting trailer;

## SECTION I - WATERCRAFT DAMAGE INSURANCE

### COVERAGE A - COVERAGE FOR LOSS

**We** will pay for **loss** to the **insured watercraft** arising out of an **accident**.

The **accident** and the **loss** must occur during the Policy Period.

### TERMS APPLYING TO COVERAGE A

#### 1. ADDITIONAL PAYMENTS

When **loss** is covered and exceeds the deductible shown in the Dec, **we** will also pay:

- a. the cost of transporting the **insured watercraft** or its parts to the nearest reasonable place of repair. Transporting will be by the least costly reasonable means;
- b. reasonable costs other than **salvage charges** incurred for protection of the **insured watercraft** after a **loss**;
- c. up to 14 days for storage of the **insured watercraft** when it is stolen and recovered or damaged from a covered **loss**.
- d. **salvage charges** that:
  - (1) **we** agree to pay;
  - (2) are awarded by a United States Court; or

# INFORMATION ONLY

- (2) the weight of the **insured watercraft** and transporting trailer exceed the maximum towing weight recommended for the towing vehicle;
- (3) the width or beam of the **insured watercraft** exceeds the trailering allowances of the state and necessary permits were not obtained prior to **loss**;
- (4) the transporting trailer fails during transport of the **insured watercraft** because of lack of maintenance.

- p. legal or illegal seizure or confiscation, or during detention, by any governmental body;
- q. a taking, holding, hiding, repossession or sale by:
  - (1) anyone to whom was given the **insured watercraft's** care, custody, control, or use;
  - (2) anyone making a claim for or against the **insured watercraft** under contract, agreement or law.

Exclusions "a." through "k." shall not apply to ensuing **loss** caused by consequential sinking, burning, or collision of the **insured watercraft**.

### 3. LIMIT OF LIABILITY

- a. If the **insured watercraft** is 10 years of age or less, **our** Limit of Liability for **loss** is the Limit for Coverage A shown in the Dec.

Age shall be determined by subtracting the **insured watercraft's** model year from the calendar year at the time of the **loss**.

- b. If the **insured watercraft** is more than 10 years of age, **our** Limit of Liability for **loss** is the lesser of:
  - (1) the Limit for Coverage A shown in the Dec; or
  - (2) the market value of the **insured watercraft** just prior to the **loss** as reasonably determined by the selling prices of similar watercraft or published boat price guides with consideration for its:
    - (a) age;
    - (b) condition, and

- (c) equipment.

- c. **We** will adjust each **loss** separately.

**Our** Limit of Liability for each **loss** is reduced by:

- (1) the deductible shown in the Dec, subject to the following:

- (a) If the Dec Page shows "NAMED STORM DEDUCTIBLE APPLIES", and the **loss** is caused by a **named storm**, the deductible will be two (2) times that shown Coverage A;

Only one deductible will apply if multiple **losses** occur from a single **named storm**.

- (b) If **loss** is not caused by a **named storm**, and **we** pay **our** Limit of Liability for Coverage A, **we** will not apply a deductible.

- (c) A separate \$250 deductible will apply to standard, non-engine electronic navigation and communication equipment and **other electronics**.

This separate deductible will be waived if:

- (1) a separate **loss** also occurs, at the same time to the **insured watercraft** and the deductible shown in the Dec or a **named storm** deductible is fully applied; or

- (2) **we** pay **our** Limit of Liability for Coverage A.

- (2) the amount of any unrepaired prior loss or damage to the **insured watercraft**.

- d. **Our** Limit of Liability for all Additional Payments (as defined above) arising out of any one **accident** is 50% of the Limit for Coverage A shown in the Dec.

### 4. NO BENEFIT TO OTHERS

This Coverage is for **your** benefit alone.

See Agreed Value Endorsement Attached. We use Agreed Value on All Policy Unless Noted.

Consequential Loss

# INFORMATION ONLY

## 5. TERMS OF PAYMENT OF LOSS

When **we** pay for **loss** the following terms apply:

### a. TOTAL LOSS

**We** will pay **our** Limit of Liability for **loss** if:

- (1) the **insured watercraft** is lost or stolen and not found or recovered within a reasonable time; or
- (2) reasonable repair cost estimates for the **loss** exceed **our** Limit of Liability for **loss**.

### b. PARTIAL LOSS

- (1) When **loss** is less than **our** Limit of Liability for **loss**, **we** will pay for reasonable repairs in accordance with customary repair practices.

This includes limiting payment to the cost to:

- (a) patch;
  - (b) weld; or
  - (c) spot repair;
- (2) When **we** pay for damaged or missing parts:
    - (a) and “Extended Parts Replacement Coverage” is not shown in the Dec **we** may reduce **our** payment for **betterment** and depreciation on parts over two (2) years old based on the parts' condition and expected useful life just prior to the **loss**.

- (b) and “Extended Parts Replacement Coverage” is shown in the Dec, **we** may reduce **our** payment for **betterment** and depreciation on parts over ten (10) years old based on the parts' condition and expected useful life just prior to the **loss**.

It is **our** option to replace parts with parts that have been remanufactured or reconditioned.

### c. MAXIMUM PAYMENT FOR CERTAIN ITEMS

**We** will not pay more than \$500 combined for all tools and maintenance items.

These limits do not increase **our** Limit of Liability for Coverage A.

### d. APPRAISAL

If **we** cannot agree with **you** on the amount of payment for **loss**, either may make written demands for an appraisal.

Each party will choose and pay a competent and disinterested appraiser. Each will share other appraisal costs equally.

The appraisers will pick a third person to settle differences.

An amount agreed to in writing by two of them will be the amount of the **loss**.

### e. SALVAGE

When **we** pay for a **loss**, **we** have the option to claim any salvage.

**You** must give **us** clear title to that salvage if **we** choose this option.

### f. LOSS PAYEE

Payment for **loss** will be made to **you** and the Lienholder shown in the Dec. **We** may include repairers or suppliers in the payment.

### g. OTHER INSURANCE

When there is other insurance for a **loss** covered by this insurance, **we** will apply that part of the **loss** that **our** Limit of Liability bears to the total limits of all insurance.

We use Extended Parts Replacement on all policies unless noted.



# INFORMATION ONLY

## SECTION II - LIABILITY INSURANCE

### COVERAGE B - LIABILITY COVERAGE FOR BODILY INJURY AND PROPERTY DAMAGE

We will pay for **bodily injury** and **property damage** for which an **insured person** is legally liable. The **bodily injury** and **property damage** must be caused by an **accident** during the Policy Period shown in the Dec. Liability must arise from the:

- a. ownership;
- b. maintenance; or
- c. use of the **insured watercraft**.

We will also pay the reasonable cost to raise, remove, transport and dispose of the **insured watercraft** if required to do so by any civil authority.

### TERMS APPLYING TO COVERAGE B

#### 1. OUR DUTY TO DEFEND

We will settle or defend, as we consider appropriate, a claim or suit asking for damages for **bodily injury** or **property damage**.

Our duty to settle or defend:

- a. is limited to costs we incur and counsel of our choice;
- b. ends when we have paid or offered to pay an amount equal to our Limit of Liability.

#### 2. ADDITIONAL PAYMENTS

When **bodily injury** or **property damage** is covered, we will also pay:

- a. interest on that part of a judgment which does not exceed our Limit of Liability. Interest is paid from the date of judgment until we pay or offer to pay our part of the judgment;
- b. reasonable costs an **insured person** incurs at our request to attend trials or hearings. We will not pay for loss of earnings.

#### 3. ADDITIONAL EXCLUSIONS APPLYING TO COVERAGE B

This Coverage does not apply to:

- a. **Bodily injury** to:

(1) you;

(2) a captain or crew member who receives money or other benefits from an **insured person** for operating or providing services to the **insured watercraft**;

(3) **Bodily injury** or any other payment or obligation to any person eligible to receive any benefits required to be provided by you.

This includes, but is not limited to, any:

- (a) employment;
- (b) unemployment;
- (c) disability;
- (d) workers' compensation;
- (e) occupational disease law;
- (f) Jones Act, Federal Longshoremen's and Harbor Workers' Compensation Act; or
- (g) any other state or federal workers' law;

(4) a person who trespasses on the **insured watercraft**;

- b. **Bodily injury** arising out of:

- (1) communicable diseases or sickness;
- (2) any sexual act, including, but not limited to:
  - (a) assault;
  - (b) molestation;
  - (c) abuse;
  - (d) incest; or
  - (e) rape.
- (3) corporal punishment or physical or mental abuse.

- c. **Bodily injury** or **property damage** arising out of:

- (1) noise or vibration;
- (2) pollution or contamination unless caused by a covered loss;

# INFORMATION ONLY

- (3) parasailing, spinnaker flying, kite skiing, hang gliding, or similar activity involving tethered flight or subsequent release;
- (4) the transportation of the **insured watercraft** on land;
- (5) **watersports accidents** unless "Watersports Liability" is shown on the Dec.

d. **Bodily injury** or **property damage** when an **insured person** is insured under nuclear energy liability insurance.

This Exclusion applies even if the limits of that insurance are reached;

e. **Bodily injury** or **property damage** liability that an **insured person** assumes by contract or agreement;

f. **Property damage** to property:

- (1) owned by an **insured person** or his or her **family members**;
- (2) rented to or in the care, custody, or control of an **insured person**.

This exclusion does not apply to **property damage** to a slip, dock or lift that **you** rent to dock or moor **your insured watercraft**.

g. Punitive damages;

h. Governmental fines or penalties;

i. **Salvage charges**.

## 4. LIMITS OF LIABILITY

**Our** Limits of Liability for **bodily injury** or **property damage** apply as follows:

- a. The limit for "each person" shown in the Dec is the most **we** will pay for **bodily injury** to any one person in one **accident** unless a smaller limit applies as stated in Paragraph 4.b. below.
- b. **We** will not pay more than the lesser of 50% of the "each person" limit for **bodily injury** for Coverage B shown in the Dec or \$25,000 for the liability of an **insured person** for **bodily injury** to:

- (1) their **family members**;

- (2) other **insured persons**.

This limitation in b.(2) does not apply to **your** liability to other **insured persons**;

- (3) anyone with more than 20% interest in **you** if **you** are a legal partnership, corporation, or other organization.

c. The limit for "**property damage**" shown in the Dec is the most **we** will pay for all **property damage**, including the cost to remove, transport or dispose of the **insured watercraft** resulting from one **accident**.

**We** will not pay more than \$500 for **property damage** to personal property that is carried aboard the **insured watercraft**.

(This \$500 limitation does not apply to personal property of **insured persons** or their **family members**. Such personal property is excluded elsewhere in this Policy.)

d. The limit for "each **accident**" shown in the Dec is the most **we** will pay for all **bodily injury** and **property damage** combined in one **accident**.

Subject to the **policy territory** definition, if the **accident** occurs in the covered waters of Mexico, the most **we** will pay for all **bodily injury** and **property damage** combined in one **accident** will be no more than:

- (1) the minimum limit of liability offered by **us** in the state for which this policy was issued; or
- (2) \$25,000.

The number of **our** policies, **insured persons**, **insured watercraft**, other watercraft, tenders, claims or claimants does not increase these amounts.

## 5. OTHER INSURANCE

This insurance is excess over any other valid and collectible insurance. **You** may purchase insurance in specific excess of this Policy.

# INFORMATION ONLY

## SECTION III - INSURANCE FOR MEDICAL EXPENSES

### COVERAGE C - MEDICAL PAYMENTS

**We** will pay for necessary medical or funeral expenses for **bodily injury** caused by an **accident** arising from the:

- a. ownership;
- b. maintenance; or
- c. use of the **insured watercraft**.

The **bodily injury** must occur during the Policy Period.

All costs must be incurred within one year of the **accident**.

### TERMS APPLYING TO COVERAGE C

#### 1. ADDITIONAL EXCLUSIONS APPLYING TO COVERAGE C

This Coverage does not apply to:

- a. **bodily injury** to:
  - (1) an employee of an **insured person** when workers' compensation benefits are available or required;
  - (2) a person who trespasses on the **insured watercraft**;
- b. **bodily injury that occurs** while the **insured watercraft** is operated by any person without:
  - (1) **your** direct knowledge and express permission; or
  - (2) the direct knowledge and express permission of **your** spouse, if **you** are a natural person.
- c. **bodily injury** that is expected or intended;

#### 2. LIMIT OF LIABILITY

**We** will pay no more than the Limit of Liability shown in the Dec to any one person in one **accident**. This limit shall apply separately to each person injured in any one **accident**.

## SECTION IV - TRAILER/BOAT LIFT INSURANCE

### COVERAGE D - PHYSICAL DAMAGE COVERAGE FOR YOUR TRAILER / BOAT LIFT

If a Limit of Liability for trailer coverage is shown on the Dec, **we** will pay for damage to a trailer that **you** own and use solely to transport the **insured watercraft** over land.

**We** will pay for damage on the same terms that **we** agree to pay for **loss** under Coverage A. All terms, conditions, exclusions and limitations of Coverage A apply, except as stated below.

If a Limit of Liability for boat lift coverage is shown on the Dec, **we** will pay for damage to a boat lift that **you** own and use solely to store the **insured watercraft** when docked.

**We** will pay for damage on the same terms that **we** agree to pay for **loss** under Coverage A.

All terms, conditions, exclusions and limitations of Coverage A apply, except as stated below.

No liability coverage is provided for **bodily injury** or **property damage** arising out of the ownership, maintenance, or use of **your** trailer or boat lift.

### ADDITIONAL TERMS APPLYING TO COVERAGE

#### 1. ADDITIONAL EXCLUSIONS APPLYING TO COVERAGE D – BOAT LIFT

**We** will not pay for **loss** for:

- a. storage used for any watercraft other than **your insured watercraft**;
- b. maintenance and service neglect;
- c. damage caused by exceeding the weight limit capacity as provided by the manufacturer of the boat lift;
- d. any dock, pier, wharf, enclosure, or similar structure where the boat lift is anchored or attached;
- e. electrical feed to the boat lift.

#### 2. LIMIT OF LIABILITY

**Our** Limit of Liability for damage to **your** trailer or boat lift is the lesser of:

- a. the limit shown in the Dec; or

# INFORMATION ONLY

- b. the fair market value of **your** trailer or boat lift as determined by its age, equipment and condition just prior to the damage.

This Limit is separate from **our** Limit of Liability for damage to the **insured watercraft**.

### 3. DEDUCTIBLE

The deductible for the **insured watercraft** shown in the Dec does not apply to damage to **your** trailer or boat lift. A separate \$250 deductible will apply.

This separate deductible will be waived if:

- a. **loss** also occurs, at the same time, to the **insured watercraft** and the deductible shown in the Dec or a **named storm** deductible is fully applied; or
- b. **we** pay **our** Limit Coverage D.

## SECTION V - TENDER INSURANCE

### COVERAGE E - COVERAGE FOR YOUR TENDER

If a Limit of Liability for tender coverage is shown on the Dec, **we** will provide insurance for the tender (dinghy) that **you** own and only use to provide transportation over water to and from the **insured watercraft**.

**We** agree to:

1. pay for **loss** to **your** tender under the same terms that **we** agree to pay for **loss** to the **insured watercraft** under Coverage A;
2. provide liability coverage for **bodily injury** and **property damage** under the same terms that **we** agree to provide coverage for the **insured watercraft** under Coverage B;
3. provide Medical Payments Coverage under the same terms that **we** agree to provide coverage for the **insured watercraft** under Coverage C.

All terms, conditions, exclusions and limitations to Coverages A, B, and C apply, except as stated below.

### TERMS APPLYING TO COVERAGE E

#### 1. LIMITS OF LIABILITY FOR DAMAGE TO YOUR TENDER

**Our** Limit of Liability for **loss** to **your** tender is

the lesser of:

- a. the limit shown in the Dec; or
- b. the fair market value of the insured tender. Fair market value will be determined by its age, equipment and condition just prior to the **loss**.

This Limit is independent of **our** Limit of Liability for **loss** to the **insured watercraft**.

#### 2. LIMITS OF LIABILITY FOR BODILY INJURY, PROPERTY DAMAGE, AND MEDICAL PAYMENTS

The Limits applying under Coverages B and C for the **insured watercraft** also apply for **your** tender.

These are not additional limits that can be stacked upon the Coverage B or C Limits.

#### 3. DEDUCTIBLE

The deductible shown in the Dec does not apply to **loss** to **your** tender. A separate \$250 deductible will then apply.

This separate deductible will be waived if:

- a. **loss** also occurs, at the same time, to the **insured watercraft** and the deductible shown in the Dec or a **named storm** deductible is fully applied; or
- b. **we** pay **our** Limit of Liability for Coverage E.

## GENERAL CONDITIONS

#### 1. POLICY CHANGE TO BE MADE BY US

No change may be made to this Policy, except by Endorsement issued by **us**.

#### 2. SUIT AGAINST US

**We** may not be sued unless there has been compliance with all of the terms of this Policy.

Under Coverage B, no one has a right to sue **us** until the duty of an **insured person** to pay is finally decided by a court.

Bankruptcy or insolvency of an **insured person** or an **insured person's** estate does not relieve **us** of **our** duties under this Policy.

# INFORMATION ONLY

## 3. OUR RECOVERY RIGHTS

- a. If **we** pay under this Policy, **we** have all rights of recovery of an **insured person**.
- b. That **insured person** must do all that is needed to help **us** with these rights.
- c. An **insured person** may do nothing to take away these rights.

## 4. TRANSFER OF POLICY

Interest may not be transferred without **our** written consent.

## 5. NONRENEWAL

If **we** decide not to renew this Policy **we** will mail **you** a notice of nonrenewal. Such notice will be sent to the address shown in the Dec. It will be sent at least 30 days before the Policy Period ends.

Proof of mailing will be proof that **you** were notified.

If **we** offer to renew and **you** do not pay the renewal premium, **you** have declined **our** offer.

## 6. CANCELLATION BY YOU

To cancel this Policy, **you** must tell **us** in writing at what future date the cancellation should be.

## 7. CANCELLATION BY US

- a. **We** may cancel by mailing **you** a cancellation notice. This notice will be sent to the address in the Dec. It will be sent at least 30 days before the cancellation date.
- b. Only 10 days notice will be given if **we** cancel for nonpayment of premium. This does not include the 5 days **we** will allow for mailing.
- c. **We** will give 10 days notice if the Policy has been in effect less than 60 days and is not a renewal policy.

Proof of mailing will be proof that **you** were notified.

## 8. RETURN OF PREMIUM

Upon cancellation, **you** may be entitled to a refund. **We** will send that refund to **you**.

But:

- a. **our** making a refund is not a condition of cancellation;
- b. if **we** cancel for a reason other than nonpayment of premium, the refund will be figured on a pro rata basis;
- c. if **you** cancel for any reason, or if **we** cancel because of **your** nonpayment of premium, the refund will be based on **our** short rate table.  
  
The refund is also subject to **our** retention of any minimum premium shown on the Dec;
- d. if the **insured watercraft** incurs a **loss** for which **we** pay **our** Limit of Liability, the annual premium shall be fully earned and paid for that **insured watercraft**.

## 9. POLICY REINSTATEMENT

**Our** receipt and deposit of **your** premium payment after mailing a notice of cancellation will not reinstate the Policy.

Cancellation for nonpayment of premium will not be effective if the required payment is received before the cancellation date.

## 10. POLICY CONFORMS TO STATE LAW

If terms of this Policy conflict with **your** state law, they are changed to conform to that law.

## 11. RIGHT TO SURVEY

**We** have the right to survey the **insured watercraft** anytime during the Policy Period.

If **we** elect to do so, **we** will give **you** notice.

Then **you** must give **us** the help that **we** request to find and board the **insured watercraft**.

## 12. ABANDONMENT

**You** may not abandon the **insured watercraft** to **us** without **our** prior written consent.

## 13. ADDITIONAL INSURED PERSONS

**We** agree to include any person or organizations on the Dec Page as "Additional Insureds", as "**insured persons**" under that definition in **your** Policy.

They are **insured persons** only with respect to **your** activities for which they may be held liable.

# INFORMATION ONLY

This does not include their own independent negligence or any other liability.

## 14. AN INSURED PERSON'S RESPONSIBILITIES AFTER AN ACCIDENT OR LOSS

**You** must notify **us** promptly of any accident. This notice shall give the time, place, and details of the **accident** or **loss**. It should also include names and addresses of witnesses and injured persons.

An **insured person** shall also:

- a. cooperate with and assist **us** in matters concerning a claim or suit;
- b. promptly send **us** all legal papers received;
- c. authorize **us** to obtain medical and other records;
- d. provide proofs of loss that **we** require;
- e. if **we** ask, give **us** a written statement about the **accident** or **loss** and agree to be examined under oath;
- f. not assume any obligation or make any payment;
- g. take reasonable steps after a **loss** to protect the **insured watercraft**;
- h. promptly report theft or vandalism to the police;
- i. allow **us** to inspect the **insured watercraft** before repair or disposal.
- j. provide **us** with any and all income documentation as it pertains to the use of the **insured watercraft** for:
  - (1) a **commercial purpose** or in permitted water-skiing and fishing tournaments;
  - (2) local sailing regattas; or
  - (3) poker runs.

## 15. MISREPRESENTATION AND FRAUD

This policy will be voided back to its inception if **you** at any time intentionally conceal or misrepresent material information relating to:

- a. application(s);
- b. **accidents**; or
- c. **losses**.

If a person knowingly makes a claim based on false information with the purposes of defrauding **us**, that person may be guilty of insurance fraud which is a felony.

**We** have a duty to seek out insurance fraud and report it to appropriate authorities.

**We** will then cooperate fully with authorities as required by law.

# INFORMATION ONLY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## BOATERS ASSISTANCE YACHT ENDORSEMENT

We agree that the following additions and changes will be made to your Policy:

### ADDITIONAL DEFINITIONS

1. "**Covered event**" means the unintentional/unintended discharge, leakage or spillage of a **contaminant** due to an **accident** from the **insured watercraft** into or upon the water or land at a specific time and place within the **Policy** period.
2. "**Contaminant**" means any petroleum product, chemical, lubricant, solvent or other harmful substances of any kind or nature normally associated with the ownership, maintenance and use of the **insured watercraft**.
3. "**Emergency assistance**" means reasonable and necessary services for:
  - a. towing to the nearest place where necessary repairs can be made;
  - b. the cost of delivering gas, oil, parts or loaned battery (but excluding the cost of these items themselves);
  - c. labor charges up to one hour for emergency repairs.
4. "**Non-owned watercraft**" means a watercraft that **you** rent or borrow with the owner's permission. It does not include watercraft:
  - a. owned in whole or in part by **you** or one of **your family members**;
  - b. available to **you** or **your family members** for regular use;
  - c. used by **you** or **your family members** for more than 14 consecutive days;
  - d. with a length more than the greater of:
    - (1) 26 feet; or
    - (2) 5 feet more than the length of the **insured watercraft**;
  - e. capable of attaining a top speed in excess of 60 miles per hour.
5. "**Personal property**" means personal effects owned by **you** or **your household** while these items are aboard the **insured watercraft**, or being loaded or unloaded. Included are items such as clothing, fishing gear, cameras, hand held navigation systems, and sporting equipment. Personal property will also include excess **other electronics**. Not included are:
  - a. money, jewelry, watches, or furs;
  - b. valuable papers, photographs, personal ledgers or records;
  - c. antiques, collectibles, fine arts, china, glassware, or silver;
  - d. firearms;

# INFORMATION ONLY

- e. computer software, cassettes, tapes, compact disks, and similar items used for the storage of music or electronic data;
  - f. consumables.
6. "**Occurrence**" means an **accident**, including continuous or repeated exposure to substantially the same general harmful conditions.
7. "**Trip Interruption**" means the additional time required to be at the same city or location where **your insured watercraft** has been disabled due to a covered **loss**. **Trip interruption** will end when **your insured watercraft** is in a satisfactory state of repair as determined by **us**.
8. "**Uninsured/Underinsured watercraft**" means a watercraft:
- a. that has no valid or collectible insurance for **bodily injury** or **property damage**; or
  - b. with an owner or operator who cannot be found or identified (such as in a hit-and-run situation), provided that an **insured person** or a person on an **insured person's** behalf shall have:
    - (1) reported the **accident** within 24 hours or as soon as reasonably possible to a police or judicial officer, Coast Guard or other watercraft patrol or police; and
    - (2) filed with us a statement under oath that the **insured person** or **insured person's** legal representative has a cause or causes of action arising out of an **accident** for damages against a person or persons whose identity is unascertainable, and setting forth the fact(s) in support thereof; and
    - (3) at our request made the **insured watercraft** available for inspection.
  - c. that has applicable bodily injury liability insurance coverage or bond at the time of the **accident**, but:
    - (1) the sum of such insurance coverage or bond is less than the limit of UNINSURED/UNDERINSURED WATERCRAFT COVERAGE contained in this endorsement; or
    - (2) the applicable bodily injury liability insurance coverage or bond has been reduced by payments to others and the remaining limits available are less than the limit of UNINSURED/UNDERINSURED WATERCRAFT COVERAGE contained in this endorsement.

**Uninsured/underinsured watercraft** does not include a watercraft that is:

- a. owned in whole or in part by **you** or one of **your family members**;
  - b. available to **you** or **your family members** for regular use;
  - c. used by **you** or **your family members**;
  - d. owned or operated by a state or federal governmental agency or authority.
9. "**Your household**" means **your family members** who reside with **you** in the same household. **Your** children under 18 years of age that reside elsewhere are also included.



# INFORMATION ONLY

## SECTION II – LIABILITY INSURANCE

### COVERAGE B - LIABILITY COVERAGE FOR BODILY INJURY AND PROPERTY DAMAGE

With respect to this endorsement, under **TERMS APPLYING TO COVERAGE B**, Item 3. **ADDITIONAL EXCLUSIONS APPLYING TO COVERAGE B**, exclusions 3.a. (2) and 3 a. (3) are deleted and replaced by the following:

- (2) **Bodily injury** to a paid captain or paid crew member [unless they are employed and paid by **you** for less than forty-five (45) days total during the Policy Period] of an insured watercraft under the Federal Jones Act, Death on the High Seas Act, or the General Maritime Law or to investigate, defend, or settle any claim asserted as such.
- (3) Except as provided above, **Bodily injury** or any other payment or obligation to any person eligible to receive any benefits required to be provided by **you**. This includes, but is not limited to, any employment, unemployment, disability, workers' compensation, occupational disease law, Jones Act, Federal Longshoremen's and Harbor Workers' Compensation Act, or any other state or federal workers' law.;

However, this exclusion (3) will not apply as it pertains to compensatory damages under the provisions of the Federal Longshore and Harbor Workers' Compensation Act.

### LONGSHORE AND HARBOR WORKER'S COMPENSATION

We will pay for those sums for which **you** are legally obligated to pay as compensatory damages under the provisions of section 905 of the Federal Longshore and Harbor Workers' Compensation Act (33 USC s 905) to any person who is in **your** employ because of **bodily injury** to which this insurance coverage applies that is caused by an **accident** and arises out of the ownership, maintenance, or use of **your insured watercraft**. This coverage does not extend to or cover the statutory benefits or medical costs provided in the Longshore and Harbor Workers' Compensation Act.

## SECTION III – INSURANCE FOR MEDICAL EXPENSES

With respect to this endorsement, under **TERMS APPLYING TO COVERAGE C**, Item 1. **ADDITIONAL EXCLUSIONS APPLYING TO COVERAGE C**, exclusion a. (1) has been deleted and replaced with the following:

- (1) an employee of the **insured person** when workers' compensation benefits are available or required. However, this exclusion will not apply to captain and crew, unless they are under **your** employ for less than forty-five (45) days total during the **Policy** Period.

With respect to this endorsement, the following Coverages have been added to your Policy.

### EMERGENCY ASSISTANCE COVERAGE

We will reimburse **you** for the reasonable expenses that an **insured person** incurs for **emergency assistance** for the **insured watercraft** if it is disabled while navigating or trailering.

### ADDITIONAL TERMS APPLYING TO EMERGENCY ASSISTANCE COVERAGE

#### 1. ADDITIONAL EXCLUSIONS

This coverage does not apply when the **insured watercraft** is docked, moored, anchored, or parked in a safe location.

# INFORMATION ONLY

## 2. LIMIT OF LIABILITY

We will not pay **you** more than \$1,500 for any one occurrence of **emergency assistance**.

## 3. OTHER INSURANCE

This insurance is excess over any other valid and collectible insurance.

## NON-OWNED WATERCRAFT LIABILITY COVERAGE

We will pay for **bodily injury** or **property damage** for which **you** or **your household** are legally liable as a result of the operation of a **non-owned watercraft**. All terms, conditions, exclusions and limitations to Coverage B for the **insured watercraft** apply to **non-owned watercraft** coverage for **bodily injury** or **property damage** except as stated below.

## ADDITIONAL TERMS APPLYING TO NON-OWNED WATERCRAFT LIABILITY COVERAGE

### 1. ADDITIONAL EXCLUSIONS

a. We will not pay for:

(1) **property damage** to the **non-owned watercraft**.

### 2. LIMIT OF LIABILITY

Our Limit of Liability for all **bodily injury** or **property damage** arising out of one **accident** is equal to the "each person" limit for **bodily injury** for Coverage B identified on the Declarations.

## UNINSURED/UNDERINSURED WATERCRAFT COVERAGE

We will pay for **bodily injury** sustained by any person or occupant while aboard the **insured watercraft** who are legally entitled to recover from the owner or operator of an **uninsured/underinsured watercraft**. The **bodily injury** must be caused by an **accident** involving the collision of an **uninsured/underinsured watercraft** and the **insured watercraft**. The **accident** must occur during the Policy Period shown in the Declarations.

## ADDITIONAL TERMS APPLYING TO UNINSURED WATERCRAFT COVERAGE

### 1. ADDITIONAL EXCLUSIONS

We will not pay for:

a. **bodily injury** claims settled without **our** written consent;

b. **bodily injury** to any person or occupant who is aboard **your insured watercraft** without the direct knowledge and express permission of **you** or **your family members**.

### 2. LIMITS OF LIABILITY

a. Our Limit of Liability for **bodily injury** to any one person in one **accident** is equal to the "each person" limit for **bodily injury** for Coverage B identified on the Declarations.

b. This limit shall apply separately to each person injured in any one **accident**. **Bodily injury** sustained by any one such person shall include all injuries and damages sustained by others as a consequence of the **bodily injury**.

c. Our Limit of Liability for all **bodily injury** combined in one **accident** is equal to the "each **accident**" limit for **bodily injury** for Coverage B identified on the Declarations.

# INFORMATION ONLY

## 3. PAYMENT REDUCTION

Our payment under this coverage shall be reduced by amounts:

- a. paid by or on behalf of those legally liable;
- b. paid or payable under Coverage B or C of this Policy.

## 4. NO BENEFIT TO OTHERS

This coverage shall not inure to the benefit of any person or organization other than **you** and **your household**.

## PERSONAL PROPERTY COVERAGE

We will pay for damage to **personal property** on the same terms we agree to pay for **loss** to the **insured watercraft** under Coverage A. All terms, conditions, exclusions, and limitations to Coverage A apply to coverage for damage to **personal property** except as stated below.

## ADDITIONAL TERMS APPLYING TO PERSONAL PROPERTY COVERAGE

### 1. LIMITS OF LIABILITY

- a. Our Limit of Liability for all combined **losses** to **personal property** arising out of any one **accident** shall not exceed the lesser of:
  - (1) \$5,000;
  - (2) the amount necessary to repair or replace the **personal property**;
  - (3) the actual cash value of the **personal property**.

### 2. DEDUCTIBLE

The deductible for the **insured watercraft** shown in the Declarations does not apply to damage to **personal property**. A separate \$200 deductible applies instead. However, this separate deductible will be waived if **loss** also occurs, at the same time, to the **insured watercraft** and the deductible shown in the Declarations is fully applied.

## TRIP INTERRUPTION COVERAGE

We will reimburse **you** for the reasonable expenses **you** incur due to a **trip interruption** to rent a replacement watercraft, or for displacement expenses for lodging, meals and emergency transportation.

With respect to Emergency Assistance Coverage, Personal Property Coverage and Uninsured and Underinsured Watercraft Coverage as found in this endorsement only, if a **trip interruption** occurs, we will also consider a rented watercraft as included within the definition of **your insured watercraft**.

## ADDITIONAL TERMS APPLYING TO TRIP INTERRUPTION COVERAGE

### 1. ADDITIONAL EXCLUSIONS

- a. We will not pay for **trip interruption**, unless:
  - (1) the disablement occurrence and temporary storage of **your insured watercraft** is more than 250 miles from **your** primary residence or the primary mooring location of **your insured watercraft**;

# INFORMATION ONLY

- (2) **your insured watercraft** is disabled for more than 2 days beginning with and including the date of the covered **loss**;
  - (3) receipts are provided for all expenses incurred.
- b. **We** will not pay for rental reimbursement if the rental watercraft is:
- (1) more than 5 feet longer than **your insured watercraft**;
  - (2) not similar to **your insured watercraft** (example includes but is not limited to, if **your insured watercraft** is a ski boat and **you** rent a sailboat);
  - (3) capable of a rated speed greater than 60 miles per hour;
  - (4) rented from any **family member** or any **insured person** under **your** policy.
- c. As it pertains to rental reimbursement, **we** will not pay for the cost of fuel, docking or mooring fees, or any other expense **you** incur that is not the actual rental fee.

## 2. LIMITS OF LIABILITY

### a. Rental Reimbursement

- (1) **We** will not pay **you** more than \$1,000 per day (not to exceed more than \$10,000 per Policy Period) for all rental reimbursement.

### b. Lodging, Meal and Transportation Reimbursement

- (1) **We** will not pay **you** more than \$250 per day for reimbursement for all covered lodging and meal expenses, regardless of the number of persons.
- (2) **We** will not pay **you** more than \$250 per person for emergency transportation to **your** residence or temporary lodging.

The most we will pay for all lodging, meal and transportation reimbursement expenses is \$1,000 per occurrence, not to exceed \$2,500 per Policy Period.

## ACCIDENTAL SPILL / POLLUTION LIABILITY COVERAGE

**We** will pay for reasonable costs or expenses for actual containment and clean-up of a **contaminant** from a **covered event**. The **covered event** must occur during the Policy Period identified in the declarations. All terms, conditions, exclusions, and limitations to Coverage B apply except as stated below.

## ADDITIONAL TERMS APPLYING TO ACCIDENTAL SPILL / POLLUTION LIABILITY COVERAGE

### 1. ADDITIONAL EXCLUSIONS

#### a. **We** will not pay for:

- (1) liability arising out of any event that occurs in the air;
- (2) liability for any **covered event** that is caused by or resulting from any intentional act or willful misconduct;
- (3) liability arising out of the spillage, leakage, discharge, or emission of any radioactive material or nuclear material of any kind;
- (4) liability for **bodily injury**, disease, death, or mental illness or anguish; or
- (5) any claim for punitive or exemplary damages, or any fine, penalty, or cost of defense arising out of a criminal or civil violation of the law.

# INFORMATION ONLY

- b. This coverage will not apply if **you** or any **insured person** knows or has reason to know of the **covered event**, and fails or refuses to:
  - (1) report the **covered event** giving rise to such liability to the appropriate authorities as required by law and to **us**; and
  - (2) provide all reasonable cooperation and assistance requested by someone acting under their legal authority in connection with clean-up activities of the **contaminant** from the **covered event**, or as required by law.

- c. **REVISIONS TO COVERAGE B - LIABILITY COVERAGE FOR BODILY INJURY AND PROPERTY DAMAGE**

Under **ADDITIONAL EXCLUSIONS APPLYING TO COVERAGE B**, exclusion 3. c. (2) is deleted and replaced by the following:

- (2) pollution or contamination (as coverage is provided in **CONTAINMENT / SPILL POLLUTION LIABILITY COVERAGE** attached to this policy);

## 2. **ADDITIONAL PAYMENTS**

When a **covered event** occurs, **we** will also pay for reasonable costs or expenses:

- a. imposed by government authorities assisting or monitoring the cleanup of the **contaminant**; and
- b. will defend **you** against legal action pertaining to the **covered event**. **Our** duty to defend:
  - (1) is limited to costs **we** incur and counsel of **our** choice; and
  - (2) ends when **we** have paid or offered to pay an amount equal to **our** Limit of Liability for this coverage.

## 3. **LIMIT OF LIABILITY**

- a. The most **we** will pay for any **covered event** is \$854,400.
- b. This is the most **we** will pay regardless of the number of **insured persons**, claims made, or watercraft involved in any one **accident** or series of **accidents** arising out of the same event that caused the **covered event**.

All other terms and conditions of the policy remain.

# INFORMATION ONLY

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF THE POLICY.

## WATERCRAFT INSURANCE POLICY EXTENDED AGREED VALUE ENDORSEMENT

### SECTION I – WATERCRAFT DAMAGE INSURANCE

Under **TERMS APPLYING TO COVERAGE A**, numbers 3.a. and 3.b. under **LIMIT OF LIABILITY** are deleted and replaced by the following:

#### 3. **LIMIT OF LIABILITY**

- a. **Our** Limit of Liability for **loss** is the Limit for Coverage A shown in the Declarations.

All other terms and conditions of the policy remain.