

# POLICY INDEX

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## AGREEMENT

This is a contract between **You** and us. We will provide the insurance coverage described in this policy in return for the premium and compliance with the policy provisions.

## DEFINITIONS

Throughout this policy "**You**" and "**Your**" refer to the named insured on the Declarations Page. "**We**," "**us**" and "**our**" refer to the company providing this insurance. Certain other words and phrases in the policy are defined as follows:

1. **Actual Cash Value** means the cost to repair or replace property with new materials of like kind and quality, less allowance for physical deterioration and depreciation, including obsolescence.
2. **Business** means:
  - a. Any full-time or part-time trade;
  - b. Profession; or
  - c. Occupation engaged in for economic gain.Entertainment for which there is no direct payment is not **business**.
3. **Family Member** means a person related to **You** by blood, marriage or adoption who is a resident of **Your** household, including a ward or foster child.
4. **Inherent Vice** means any quality in the insured property that causes it to damage or destroy itself.
5. **Insured Person** means **You** and any **Named Operator**.
6. **Insured Watercraft** means:
  - a. the watercraft named on the Declarations Page, including its motor (s), spars, sails, winches, rigging, furniture, dinghies/tenders, fittings and other equipment normally required for the operation, navigation or maintenance of the **Insured Watercraft**.
  - b. machinery which includes the propulsion equipment, power generating equipment, rudders, propellers, struts and shafts, whether located inside or fixed to the outside of the **Insured Watercraft**.
  - c. any watercraft which **You** acquire during the policy period if **You** notify us within fifteen (15) days of the time **you** acquire ownership of the watercraft and pay any additional premium required.
7. **Latent Defect** means a hidden flaw in the materials, parts and components of the **Insured Watercraft** existing at the time of the manufacture and/or resulting from repairs, which is not discoverable by visual observation or ordinary means of testing.
8. **Lay Up** means taking **Your Insured Watercraft** out of active service. During the **Lay Up** period shown on the Declarations Page, **Your Insured Watercraft** cannot be used for any boating activities or as living quarters by **You** or any **Named Operator**.
9. **Named Operator** means any **insured watercraft** operator that has been approved by us and specifically listed on the Declarations Page or by endorsement. Unless they are listed on the Declaration Page or by endorsement, **Named Operator** does not include any **family member**, any person operating **Your Insured Watercraft** with **Your** prior permission, person or organization or employee thereof operating or owning a salvor or towing service, yacht club, boat repair yard, shipyard, marina, sales agency or similar business. Insurance provided to other persons or organizations under this policy does not cover their liability to **You** or to **Your** spouse.
10. **Personal Effects** means wearing apparel, sports equipment and other personal effects belonging to **You**, any **Family Member**, guests, or volunteer crew at **Your** election. It does not include

money, traveler's checks, securities, valuable papers or other documents, computer hardware or software, cell phones, pagers, jewelry, watches or furs, gems, precious stones, silver, gold, or other precious metals, collectibles, antiques, liquor, firearms, galley supplies or provisions or other consumables, animals, birds, or fish, or merchandise for sale or exhibition.

11. **Personal Watercraft** means a **Watercraft** such as a jet ski, wave runner or similar craft which uses an inboard motor powering a water jet pump as its primary source of power and which is designed to be operated by a person sitting, standing, or kneeling on the vessel rather than inside it.
12. **Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
13. **Tropical Depressions, Tropical Storms, Hurricanes and Nor'easters** mean those weather systems so designated by the U.S. National Weather Service and/or the National Hurricane Center.
14. **Uninsured Watercraft** means a watercraft of any type:
  - a. for which no bodily injury liability insurance policy or bond applies at the time of the accident,
  - b. for which the bond or insurance company denies coverage or is, or becomes insolvent; or
  - c. which is a hit-and-run watercraft whose owner or operator cannot be identified, that comes into physical contact with **Your Insured Watercraft** or any of **You**.
15. **Uninsured Watercraft** does not mean:
  - a. A watercraft owned by, rented or chartered to, furnished or available for regular use by an **Insured Person**; or
  - b. Owned by any governmental unit or agency.

## SECTION A – PROPERTY DAMAGE COVERAGE

### 1. WHAT WE INSURE

#### a. Watercraft and Trailer

We cover the **Insured Watercraft** and trailer as described in the Declarations Page while the **Insured Watercraft** is afloat, on shore or being transported on a land conveyance including loading and unloading. We cover the trailer used for transportation of the **Insured Watercraft** if an amount of insurance is shown for the trailer on the Declarations Page.

#### b. Personal Effects

We cover **Personal Effects** while they are on board or being carried on, to or off the **Insured Watercraft**. The most we will pay for **Personal Effects** is \$1,000 per occurrence unless a higher amount of insurance is shown on the Declarations Page. This coverage is subject to a \$250 deductible. The OTHER INSURANCE paragraph under Section F-General Provisions does not apply to a **Personal Effects** loss insured under this Section A-Property Damage.

### 2. COVERAGE PROVIDED

We will pay for any accident which is the proximate cause of physical loss to the insured property less any applicable deductible shown on the Declarations Page, unless the loss is excluded in the policy.

### 3. LIMIT OF LIABILITY

A total loss occurs when **Your Insured Watercraft** is destroyed or lost. **Your Insured Watercraft** is considered a constructive total loss when the reasonable expense of recovering and repairing

**Your Insured Watercraft** exceeds the value as shown on the Declarations Page. **Your Insured Watercraft** is considered lost when it is not found within 30 days of the date it is reported as missing.

In the event of loss or damage to **Your Insured** property, we will pay the lowest of the following amounts:

- a. We will pay the amount shown on the Declarations Page for the **Insured Watercraft** if it is a total loss or a constructive total loss.
- b. We will pay the reasonable cost of repair or replacement without deduction for depreciation if **Your Insured Watercraft** is partially damaged. However, the most we will pay for:

- (1) Batteries, Sails, Canvas, Curtains, Protective Covers
- (2) Outboard motors or outdrive units which are more than (5) years old
- (3) Trailers which are more than (5) years old
- (4) Other machinery which is more than (5) years old
- (5) **Personal Effects**

is the lesser of the following:

- (1) the **Actual Cash Value** at the time of the loss,
- (2) the cost of repair subject to depreciation,
- (3) the cost of replacement,
- (4) or the amount of insurance, if any, shown on the Declarations Page for the specific property.

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

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.

#### 4. DEDUCTIBLE

- 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. When applying the deductible, we will treat each covered loss as a separate claim and any two or more covered losses resulting from the same accident or occurrence as one claim. No deductible will be applied in the event of a total loss to **Your Insured Watercraft** except for conditions outlined in paragraph b. below.
- b. If a Windstorm Deductible amount is shown on the Declarations Page, we will apply the Windstorm Deductible to covered losses caused by wind, rain, wave or hail when those losses are the result of a **Tropical Depression, Tropical Storm, Hurricane, or Nor'easter**. The Windstorm Deductible will replace the deductible shown on the Declarations Page for **Your Insured Watercraft** and will be applied to the amount of each loss. It will be applicable to all partial losses and in the case of a total loss or constructive total loss; the Windstorm Deductible will be subtracted from the limit of liability that applies to **Your Insured Watercraft**.

#### 5. REPAIRS

We will pay the cost to repaint or resurface the damaged area using standard marine repair practices so that it will reasonably match the original color.

If there is an insured loss to wood, metal, rubber, plastic, or fiberglass portions of **Your Insured Watercraft** or trailer, we will pay the lesser of:

- a. The cost of repairing in accordance with standard marine repair practices; or
- b. The cost of making repairs according to the recommended specifications of the manufacturer of **Your Insured Watercraft** or trailer.

If, in the event of a partial loss, **You** choose not to have repairs or replacements made to the covered property, we will pay no more than the **Actual Cash Value** of the damaged parts; but in no case will payment exceed the cost to repair or replace with material of like kind and quality.

#### 6. SALVAGE COSTS

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 the Section A: Property Damage Coverage limit shown on the Declarations Page. The Section A: Property Damage Coverage Deductible Amount does not apply to this coverage.

#### 7. EMERGENCY TOWING AND ASSISTANCE

We will pay **You** up to the limit shown on **Your** Declarations Page for the reasonable costs **You** incur resulting from the following emergency services for commercial assistance while **Your insured watercraft** is afloat or away from safe harbor.

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

All other provisions of this policy will apply. This coverage is not subject to any deductible.

#### 8. APPRAISAL

If we and **You** do not agree on the amount of loss, either may demand an appraisal of the loss. Each party will select a competent appraiser. The two appraisers will select an umpire. The appraisers will separately state the amount of loss. If they fail to agree, they will submit their findings to the umpire. A decision agreed to by any two will be binding.

Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the expenses of the appraisal and umpire equally.

We do not waive any of our rights under this policy by agreeing to an appraisal.

#### 9. EXCLUSIONS THAT APPLY TO SECTION A

We do not provide coverage under Section A-Property Damage Coverage for losses:

- a. Due to and resulting from: a) wear and tear; b) gradual deterioration; c) weathering; d) mold, mildew or wet and dry rot or dampness of atmosphere; e) marring, denting, scratching, chipping or electrolysis; f) corrosion or rust; g) manufacturer's defects or defective or improper design; h) osmosis, delamination, bubbling or blistering; i) mechanical or electrical breakdown; or o) **Inherent Vice**; p) lack of reasonable care or due diligence in the maintenance of your watercraft; or q) seizure and/or overheating of engines or motors unless caused by a covered loss.
- b. Due to and resulting from: a) birds, b) rodents, c) insects, or d) animals or marine life. However, if any of these results in fire, sinking, dismasting, collision or stranding of **Your**

**Insured Watercraft**, the resulting physical damage will be covered.

- c. Arising out of or resulting from intentional acts of willful misconduct or illegal acts of any person insured under this policy.
- d. Resulting directly or indirectly from ice, freezing or extremes of temperature.
- e. Due to confiscation by duly authorized governmental or civil authority.
- f. Due to theft or unexplained disappearance of **Personal Effects** or **Insured Watercraft** unless:
  - (1) there is theft of **Your** entire **Insured Watercraft**; or
  - (2) there is evidence of forcible removal.
- g. Arising out of or from any **Business** use.
- h. To **Personal Watercraft**, mooring and cradles;
- i. which occurs while the **insured watercraft** is being operated in any organized race or speed contest. Contests such as poker runs, wherein the outcome is determined by factors other than speed, are covered.
- j. To electrical apparatus caused by electricity, other than lightning, unless fire results, and then only for loss caused by the resulting fire.
- k. Involving wages or provisions furnished to master or crew.
- l. Caused by or resulting from loss of use, delay or loss of value.
- m. To any engine/motor that has been modified after delivery from the manufacturer unless specifically shown on the declarations page or added by endorsement and for which a specific premium charge has been made.
- n. Incurred while **Your Insured Watercraft** is being operated by anyone other than an **Insured Person**.
- o. Incurred when the operator had a blood alcohol concentration in excess of the legal limit.
- p. By wind while **Your Insured Watercraft** is afloat but not in use on Lake Tahoe, Lake Mead or Lake Powell, unless the watercraft is kept in a slip, in dry dock, or in a storage facility.
- q. To any item having a **Latent Defect**. However, any resulting loss or damage to **Your Insured Watercraft** will be covered.

## SECTION B – WATERCRAFT LIABILITY

### 1. COVERAGE PROVIDED

We will pay for damages for bodily injury or property damage for which any **Insured Person** becomes legally liable through the ownership, maintenance or use of the **Insured Watercraft**. This includes:

- a. Liability to paid crew as defined in the Jones Act or under general Maritime Law;
- b. Attempted or actual raising, removal or destruction of the wreck of **Your Insured Watercraft**, if such removal is required by law;
- c. Damage or losses resulting from any one accident or occurrence; with respect to pollution that **You** are required by law to clean up, remove or contain a **Pollutant** that was suddenly and accidentally discharged, spilled, leaked or emitted from **Your insured watercraft** into the waters, we will pay up to Section B: Watercraft Liability Coverage limit

shown on the Declarations Page, or \$800,000, whichever is greater.

For purposes of this coverage “accidental” does not include any seepage from any mechanical equipment or from a manufacturer’s defect to **Your Insured Watercraft**. Coverage will not be provided for any seepage or discharge, continuous or intermittent, which occurs over a period of time or which could have reasonable been discovered by **You**.

### d. LIMIT OF LIABILITY

If a claim is made or a suit brought against an **Insured Person** for damages because of bodily injury or property damage to which this coverage applies, caused by an occurrence, we will:

- a. Pay up to our limit of liability for the damages for which the **Insured Person** is legally liable; and
- b. Provide a defense at our expense by counsel of our choice.

We may make any investigation and settle any claim or suit that we decide is appropriate. Our obligation to defend any claim or suit ends when the amount we pay for damages, to effect settlement or satisfy a judgment resulting from the occurrence, equals our limit of liability.

### 2. SUPPLEMENTAL PAYMENTS

We will also pay, with respect to any claim we investigate or settle, or any suit against an insured we defend:

- a. Expenses we incur and costs taxed against **You** in any suit we defend.
- b. The cost of bonds:
  - (1) To release **Your Insured Watercraft** if seized; or
  - (2) Required in a suit we defend.

We will not pay for bond amounts greater than the Limit of Liability for Coverage B.

- c. Expenses **You** incur at our request for assisting us in the investigation or defense of any claim or suit. We will not pay more than \$100 a day for actual loss of earnings.
- d. Interest on the entire judgment entered by the court. But, we will only pay such interest until we pay, offer or deposit in court our portion of the entire judgment.

### 3. EXCLUSIONS WHICH APPLY TO SECTION B

We will not provide coverage for any person under Section B: Watercraft Liability for:

- a. Any bodily injury or property damage arising out of or resulting from intentional acts or willful misconduct or illegal acts of any person insured under this policy.
- b. Whom benefits are payable under any state or federal compensation law or act.
- c. Property damage or bodily injury arising out of the transportation of the **Insured Watercraft** on land.
- d. Any liability assumed by an **Insured Person** under any contract or agreement.
- e. Any bodily injury or property damage arising out of the **Insured Watercraft** being operated in an organized race or speed contest. Contests such as poker runs, wherein the outcome is determined by factors other than speed, are covered.
- f. Any bodily injury or property damage arising out of **Your Insured Watercraft** being operated by anyone other than an **Insured Person**.

- g. Any bodily injury or property damage to any **Insured Person, family member** or person who resides in **Your** household.
- h. Fines or penalties imposed by any governmental agency.
- i. Punitive damages.
- j. Any bodily injury to any officer, director, partner or shareholder of any of **You**.
- k. Any bodily injury or property damage arising out of any sexual act, sexual molestation and/or negligent supervision, corporal punishment or physical or mental abuse.
- l. Any bodily injury or property damage arising out of the use of **Your Insured Watercraft** for waterskiing, aquaplaning or any similar sport or activity in which a person(s) or object(s) or both are towed.
- m. Any bodily injury or property damage arising out of the rental of **Your Insured Watercraft**.
- r. Any bodily injury or property damage arising out of the use of **Your Insured Watercraft** while the operator had a blood alcohol concentration in excess of the legal limit.

### **SECTION C – LONGSHOREMEN’S AND HARBOR WORKER’S COMPENSATION**

#### **1. COVERAGE PROVIDED**

When insurance is provided under Section B, Liability Coverage, insurance is also provided under this section. We will provide coverage for **You** as the owner of a **Insured Watercraft** for bodily injury to any person engaged in work subject to the Longshoremen’s and Harbor Workers’ Compensation Act (33 USC Sections 901-950) or any amendments to that law that are in effect during the policy period. However, if there is any other available insurance to the injured person, this coverage will be excess over such other insurance.

### **SECTION D – MEDICAL PAYMENTS**

#### **1. COVERAGE PROVIDED**

We will pay reasonable and necessary medical and funeral service expenses incurred within one year from the date of the accident causing bodily injury to any person while in, upon, boarding, leaving or towed behind the **Insured Watercraft**. Medical expenses means charges for medical, surgical, x-ray, dental, ambulance, hospital and professional nursing services.

#### **2. LIMIT OF LIABILITY**

Our limit of liability in any one accident shall not exceed the amount of insurance shown for Section D: Medical Payments on the Declarations Page, regardless of the number of persons involved or claims made in the accident.

We will not pay any amounts paid or recoverable from the injured person’s health plan, medical insurance, and other sources of medical payments or benefits.

#### **3. ADMISSION OF LIABILITY**

Any payment made under this section is not an admission of liability by **You** or us.

#### **4. EXCLUSIONS WHICH APPLY TO SECTION D**

We do not provide coverage under Medical Payments:

- a. For any bodily injury incurred during the course of employment to whom benefits are payable under any state or federal compensation law or act.
- b. For liability assumed by an **Insured Person** under contract or agreement.

### **SECTION E – UNINSURED BOATOWNERS**

#### **1. COVERAGE PROVIDED**

If an amount is shown for Section E: Uninsured Boater Coverage on the Declarations Page, we will pay the amount which an insured is legally entitled to recover from the owner or operator of an **Uninsured Watercraft** for bodily injury:

- a. Sustained by an insured, **Your** guests or unpaid crew members while aboard the **Insured Watercraft**;
- b. Caused by an occurrence.

The uninsured boater’s liability for loss or damage must arise out of the ownership, maintenance or use of an **Uninsured Watercraft**.

#### **2. LIMIT OF LIABILITY**

The applicable amounts of insurance shown on the declarations page for Coverage E and the rules below set the limit of liability and fix the most we will pay regardless of:

- a. the type of damages or expense incurred;
- b. the number of injured persons or claims made; or
- c. the number of watercraft involved.

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 Section B: Liability Coverage of this policy.

#### **3. ARBITRATION**

- a. If we and **You** do not agree:
  - (1) Whether **You** are legally entitled to recover damages; or
  - (2) As to the amount of **Your** damages;
 then the matter may be arbitrated at **Your** request or ours. But, disputes about coverage will not be arbitrated.

Each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction.

- b. Each party will;
  - (1) Pay the expenses it incurs; and
  - (2) Bear the expense of the third arbitrator equally.
- c. Unless both parties agree otherwise, arbitration will take place in the county in which **You** live. Local rules of law as to procedure and evidence will apply. A decision by two of the arbitrators will be binding.

#### **4. EXCLUSIONS WHICH APPLY TO SECTION E**

We do not provide Uninsured Boaters Coverage for:

- a. Any vessel or equipment owned by or furnished or available for the regular use of an **Insured Person** or any **Family Member** or owned by any state or federal governmental unit or agency;
- b. Claims settled without our written permission;
- 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. 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 Watercraft**.

This coverage shall not apply directly or indirectly to benefit any insured or self-insured under any state or federal compensation act.

## **SECTION F – GENERAL CONDITIONS AND EXCLUSIONS WHICH APPLY TO ALL SECTIONS OF THIS POLICY**

### **1. CHANGES IN POLICY**

This policy contains all the agreements between **You** and us. No changes may be made unless they are in writing by us.

### **2. POLICY PERIOD, TERRITORY**

This policy applies only to losses which occur during the policy period as shown on the Declarations Page and:

- a. While the **Insured Watercraft** is within the Navigation Limits specified on the Declarations Page and within 100 miles of the Continental United States and Canada.
- b. For **Insured Watercraft** and trailer on shore or being transported by land conveyance within the Continental United States and Canada.

### **3. LAY UP**

If a **Lay Up** period is shown on the Declarations Page, **Your Insured Watercraft** must be in safe storage, may NOT be operated, and must not be used for living on board. Failure to comply may void **Your** coverage.

### **4. PRIVATE PLEASURE ONLY**

We do not provide coverage while the **Insured Watercraft** is on exhibition, rented to others, used to carry persons or property for a fee or used for any commercial purposes.

### **5. NO BENEFIT TO OTHERS**

No person or organization having custody of the **insured Watercraft** and being paid for services shall benefit from this insurance.

### **6. 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.

### **7. 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. Upon settlement by us of any total loss or where we have paid the policy limits, the salvage, if any shall belong to us at our option, however, there shall be no abandonment to us.

### **8. WAR AND NUCLEAR EXCLUSION**

We will not pay for any loss resulting directly or indirectly from:

- a. Radioactive, chemical biological, bio-chemical or electromagnetic contamination;
- b. Discharge of any nuclear weapon (even if accidental);
- c. War, including undeclared war, invasion, hostilities, acts of foreign enemies, civil war, rebellion, insurrection, military, usurped power, martial law, or confiscation by order of any government or public authority.

### **9. CONCEALMENT OR MISREPRESENTATION**

All coverage provided by us will be voided from the beginning of this 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 which is incorporated herein, whether before or after a loss.

### **10. INSURABLE INTEREST**

We will not be liable in any one loss for more than the amount of **Your** insurable interest at the time of loss or more than the amount of coverage afforded by this policy.

### **11. TRANSFER OF INTEREST**

All coverage provided by us will terminate upon the sale, assignment, transfer or pledge of the **Insured Watercraft** or of this contract unless prior written consent has been obtained from us.

### **12. LEGAL ACTION AGAINST US**

No legal action may be brought against us unless there has been full compliance with all terms of this policy. In addition:

- a. with respect to any claim or loss to **Insured Watercraft**, any suit against us must commence within one (1) 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 part 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 commence within the shortest limitation of time permitted by such law.

### **13. IMPAIRMENT OF RECOVERY**

If **You** agree after a loss to give up **Your** rights to recover damage from any carrier, bailee or other party who may be liable to **You**, this policy will be considered void and will be without effect as to such loss. We will still have the right to retain or recover the premium.

### **14. OUR RIGHT TO BE REPAID**

If we make payment for a loss to anyone, or on behalf of anyone who has a right to recover damages from others, we shall take over that person's right to recover the damages. That person must cooperate with us in our efforts to recover the amount which we paid. If we make payment for a loss to anyone or on behalf of anyone who also recovers damages for that loss from others, that person shall hold the proceeds of the recovery in trust for us and shall reimburse us to the extent of our payment.

### **15. NON-WAIVER PROVISIONS**

No action on our part after a loss, to recover or save the **Insured Watercraft** from further loss nor any action which we may take in connection with investigation of any loss shall be considered as a waiver of any of our rights under this policy.

### **16. 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 liability, medical payments and/or uninsured boater loss, any insurance provided by this contract shall be deemed excess over all valid and collectible insurance.

### **17. CANCELLATION**

**You** may cancel this policy by returning it to us or our authorized representative and stating, in writing, the future date **You** want it

to be cancelled. We may cancel this policy by written notice to **You** at the address shown on the Declarations Page on this policy or last known address. Cancellation by us will be effective as of the date and time shown on the cancellation notice, but not less than fifteen (15) days after the date of mailing the notice. The mailing notice is sufficient proof of notice of cancellation. The date of the cancellation stated in the notice shall become the end of the policy period.

#### 18. RETURN PREMIUMS

If this policy is cancelled, **You** may be entitled to a premium refund, subject to the minimum earned premium shown on the Declarations page. 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 watercraft insured under this policy. Any return premium will be paid to **You** as soon as possible after the cancellation.

#### 19. CONFORMITY TO STATUTES

Any provision in this policy that conflicts with any State statute is hereby amended to conform to the minimum requirements of the State statute.

### SECTION G – GENERAL PROVISIONS IN THE EVENT OF LOSS

#### 1. PROTECTION AGAINST LOSS

If **Your Insured Watercraft** 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.

#### 2. DUTIES FOLLOWING ANY LOSS

##### a. Notice of Loss

**You** must report in writing to us, or our authorized agent, immediately 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 by this section, any claim for such loss under this policy will be voided.

##### b. Proof-of-Loss

**You** must file with us or our authorized agent, immediately 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. A written, sworn proof-of-loss must be filed with us immediately after completion of

services by any person seeking payment by us under Section C: Medical Payments Coverage, or by someone on their behalf. A person presenting a claim for bodily injury must also submit, as often as we request, to physical examinations by physicians of our choice; we will pay for the cost of the examination; and provide us with written authorization for release to us copies of pertinent medical reports and records.

#### c. Assistance and Cooperation

Any person making a claim must:

- (1) Give us immediate notification of the loss, with details as to how, when and where the loss occurred, the property involved, the names and addresses of any injured persons, and the names and addresses of any witnesses;
- (2) Promptly forward to us any legal papers or notices received in connection with the loss;
- (3) Not assume any obligation, admit any liability or incur any expense for which we may be liable without our written permission, except expenses incurred to protect the **Insured Watercraft** from further loss;
- (4) Allow us to inspect and appraise all damaged property, not stolen or otherwise unrecoverable, before it is repaired or disposed of;
- (5) Cooperate with us in the investigation, defense, or settlement of any loss, and agree to be examined under oath if we so request;
- (6) Permit us to examine any records needed to verify the loss and its amount;
- (7) Submit written proof of loss immediately, signed and sworn to by **You** setting forth to the best of **Your** knowledge, the facts or the loss.

#### 3. CLAIM OR SUIT AGAINST YOU

If a claim is made or suit is brought against **You** or an **Insured Person** 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 also have the option of naming attorneys to represent **You**.

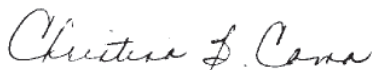
#### 4. PAYMENT OF LOSS

Unless a claim has been paid by others, we will pay for any loss covered under this policy within thirty (30) days after both the detailed sworn proof-of-loss and proof of **Your** interest in the **Insured Watercraft** are given to us and after the earliest of the following:

- a. We reach agreement with you;
- b. Final judgment is rendered in a court of law.

### SIGNATURES

In Witness Whereof, we have caused this policy to be executed and attested, but this policy shall not be valid unless countersigned on the Declarations Page by our authorized representative.



SECRETARY



PRESIDENT