

**MARINE INSURANCE
POLICY
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MARINE INSURANCE POLICY

AGREEMENT

This Marine Insurance Policy is a legal contract. It includes **Your** Declarations Page, definitions, schedules and endorsements, if any, and the other provisions of **Your** marine insurance coverage. In consideration of the payment of the required premium when due and provided the **Insured Persons** comply fully with terms, conditions and warranties of **This Policy**, **We** agree to provide **You** insurance as stated in **This Policy**. **You** warrant that the **Insured Vessel** is **Seaworthy** at the start of the **Policy Period** and will be **Seaworthy** throughout the **Policy Period**.

Various provisions in **This Policy** restrict coverage. Read this entire contract of insurance carefully to determine rights, duties, and what coverage is and is not provided by **This Policy**.

DEFINITIONS

Throughout **This Policy**, **You** and **Your** refer to the **Insured Person**, and **We**, **Us** and **Our** refer to Red Shield Insurance Company. In addition, words and phrases in bold type have additional meaning as follows:

Actual Cash Value see **Actual Cash Value** Endorsement.

Bodily Injury means physical injury, including sickness or disease, sustained by a person during the **Policy Period**, including death directly resulting from any of these.

Constructive Total Loss means that **Our** estimated and/or actual cost to recover and repair damaged property is greater than the applicable limit of insurance under **This Policy**.

Defense Costs means attorney and expert witness fees and expenses, court costs, transcription costs, and any other related or similar costs or expenses.

Electronics means similar, but not limited to electronic items, including communications equipment, navigational equipment, audio components(s), television unit(s), video camera(s), cellular phone(s), radio(s), stereo equipment, hailer(s), speaker(s) and or computer equipment located on the **Insured Vessel**.

External Machinery means similar, but not limited to equipment and associated components, customarily used for the operations of the vessel including any outdrive(s), sterndrive(s), outboard motor(s), popped propulsor(s), jet unit(s), directional thruster(s), other propulsion equipment, and/or stabilizer(s) located outside the **Insured Vessel**.

Initial Payment means the portion of the total premium for **This Policy** required to be paid prior to the commencement of any coverage provided by **This Policy**.

Insured Person(s) means the **Named Insured** and includes any family member related to the **Named Insured**, whether by blood, marriage or legally valid civil union or domestic partnership or adoption, who is a permanent resident of the **Named Insured's** household, and shall also include any person whom **You** permit to operate the **Insured Vessel** without charge, but only while operating the **Insured Vessel** and if operated in compliance with all limits, terms, exclusions and conditions of **This Policy**.

Insured Vessel means any recreational vessel shown on the Declarations Page or an endorsement including, but strictly limited to, its hull, **Tender**, spars, **Textiles**, furniture, fittings and **Electronics**, **Internal Machinery**, **External Machinery** and its **Running Gear**.

Internal Machinery means similar, but not limited to equipment and associated components, customarily used for the operation of the vessel including any engine(s), motor(s), pumps(s), transmission(s), electrical generator(s) and or alternator(s), located inside of the insured vessel.

Latent Defect means a defect in material out of which the **Insured Vessel** is constructed, and which was not and could not, through the exercise of due diligence, have been discovered by any known, customary or contemporary test or examination. Deterioration, corrosion, rust, electrolysis, galvanic action, blistering, delaminating, osmosis, weathering, inherent vice, **Wear and Tear**, vessel construction errors or design errors do not constitute **Latent Defects**.

Named Insured means the person or entity named on the Declarations Page.

Occurrence means an accident or series of accidents during the **Policy Period** which arise out of a single event.

Personal Effects means property consisting of wearing apparel, sports equipment, fishing equipment and other similar personal property not otherwise excluded.

Personal Watercraft means any motorized vessel designed to be operated by a person or persons sitting, standing, or kneeling on such vessel rather than within the confines of its hull, such as but not limited to jet skis, wave runners, hydroplanes, dive scooters and similar type devices.

Policy Period means the period of time so identified on the Declarations Page or as modified by policy cancellation or extension.

Pollutant means any harmful substance or product including but not limited to petroleum product, chemical product, lubricant, solvent or waste.

Pollution means the emission, escape, discharge, disposal, dumping, leakage, release or spillage of a **Pollutant**.

Property Damage means physical loss or destruction to tangible property, excluding money, stocks, bonds, mortgages or similar instruments.

Running Gear means similar but not limited to the shaft including couplings, shaft bearings, shaft log, shaft struts, propeller(s), rudder(s), and rudder assembly, and/or trim tabs connected to the hull of the insured vessel.

Seaworthy means that the **Insured Vessel** and its **Tender** are properly designed, constructed, equipped and maintained to withstand all conditions which the **Insured Vessel** may be expected to encounter, including the conditions existing at their moored location.

Sinking means totally immersed beneath the surface of the water.

Suit means a civil proceeding in which damages because of **Bodily Injury, Property Damage, or Wreck Removal Operations** to which this insurance applies are alleged. **Suit** includes:

1. an arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with **Our** consent; or
2. any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with **Our** consent.

Tender means a launch or small boat, including its motor, used primarily to travel to and from the **Insured Vessel**, and usually carried on or towed behind the **Insured Vessel**. Any launch or small boat exceeding twelve (12) feet in length or, if powered, using a motor exceeding twenty-five (25) peak horsepower as rated by its maker is not a **Tender** and must be described on an endorsement if coverage is to be provided by **This Policy**. **This Policy** provides coverage for only one (1) **Tender**. Any additional **Tenders** must be described on an endorsement.

Textiles means similar but not limited to sail(s), carpet(s), fabric, upholstery, cushion(s), protective cover(s), or enclosure(s), and/or vinyl style window(s) located in or on the insured vessel.

This Policy means this marine insurance policy together with its Declarations Page, schedules and amendatory endorsements, if any.

Total Loss means that the **Insured Vessel** was completely lost or destroyed.

Underinsured Vessel means a vessel whose owner or operator is legally responsible for the accident and has **Bodily Injury** liability limits that are lower than the **Uninsured/Underinsured Vessel** limits shown on the Declarations Page, and the damages for which such person is liable. An **Underinsured Vessel** does not include **You** or any governmental or civil agency or authority.

Uninsured Vessel means a vessel of any type:

1. to which **Bodily Injury** liability insurance policy coverage does not apply at the time of the **Occurrence**; or
2. which is insured by a company which denies coverage or is insolvent or becomes insolvent; or
3. which is a hit and run vessel whose owner or operator cannot be identified.

Wear and Tear means deterioration of **Your Insured Vessel** arising from the use, service or normal aging of the **Insured Vessel**.

Wreck Removal Operations means activities raising, removing or destroying, or failing to raise, remove, or destroy the wrecked **Insured Vessel** if required by law or civil authority.

PART A: PROPERTY INSURANCE

We will provide coverage for abrupt and accidental direct physical loss or damage to **Your Insured Vessel** caused by an **Occurrence**, except as excluded or limited in **This Policy**.

The limit of insurance stated on the Declarations Page for PART A. PROPERTY INSURANCE is the most **We** will pay for the sum of all loss or damage under this coverage part to the **Insured Vessel**.

1. PROPERTY COVERED

We cover the following property:

- a. The **Insured Vessel** identified on the Declarations Page.
- b. **Your Insured Personal Effects** while on board the **Insured Vessel** or while being carried onto or off of the **Insured Vessel**. **We** also apply this coverage to the **Personal Effects** of **Your** guests.
- c. The **Insured Vessel's** equipment while removed temporarily (not to exceed 150 days) from the **Insured Vessel** for storage on shore not to exceed ten (10) percent of the amount of PART A: PROPERTY INSURANCE stated on the Declarations Page. The stated amount of property insurance covering the **Insured Vessel** will be reduced by the value of any **Insured Vessel's** equipment which is temporarily on shore.
- d. **Your** kayaks, rowboats, windsurfers and paddleboards while in **Your** care, custody and control subject to a sublimit of \$2,000 per item and a maximum of \$4,000 per loss.

2. PROPERTY NOT COVERED

We do not cover the following property:

- a. **Personal Watercraft**.
- b. Boathouses, boat sheds, moorings, cradles, boat lifts or similar apparatus.

- c. Fuel, stores, provisions, food, beverages and liquor.
- d. Accounts, bills, currency, money, travelers checks, passports, securities, evidences of debt, credit cards, and other valuable papers and documents, and electronic data including computer programs.
- e. Jewelry, gems, precious metals, furs, fine arts, antiques, watches, firearms, ammunition, hearing aids, cameras, **Electronics** not permanently installed as part of the **Insured Vessel**; however, **Electronics** are covered if permanently installed as part of the **Insured Vessel**.
- f. Animals, plants and fish.

3. EXCLUSIONS

We will not provide coverage under PART A: PROPERTY INSURANCE for loss or damage caused by, resulting from or attributed to any of the following:

- a. mold, mildew, dry rot, wet rot, osmosis, blistering, delaminating and weathering.
- b. vermin, insects, animals and marine life, except zebra mussels. However, this exclusion does not apply to **Property Damage** to the **Insured Vessel** caused by fire, **Sinking**, collision, or stranding caused by beaver, muskrat, otter, nutria, or rat.
- c. marring, scratching, chipping or denting, unless caused by abrupt and accidental impact with another object.
- d. vessel construction errors or design errors, including changes or modifications made at any time, including redesigns and refits.
- e. **Latent Defect** and its detection, identification and repair expenses; however, directly resulting loss of or damage to the **Insured Vessel** is covered provided discovery of the **Latent Defect** occurs not more than ten (10) years after the completion of initial construction of the **Insured Vessel** and also provided the resulting loss or damages does not arise out of or consist of osmosis, blistering or delamination.
- f. abnormal electrical energy input unless caused by lightning striking the **Insured Vessel**.
- g. mysterious disappearance or theft of **Personal Effects** unless there is visible evidence of forced entry of the **Insured Vessel**, forced removal of covered **Personal Effects**, or theft of the entire vessel.
- h. **Wear and Tear**, inherent vice, electrolysis, corrosion, galvanic action, rust and/or dampness of the atmosphere and weathering, gradual deterioration, faulty or inadequate repair or workmanship however, **We** will cover consequential damage to the **Insured Vessel** provided that one of the foregoing is not the sole cause of **Sinking**, collision, or stranding of the **Insured Vessel**.
- i. delay, loss of use, or diminishment of value.

PART B: LIABILITY INSURANCE

1. COVERAGE

We will pay those sums the **Insured Person** becomes legally obligated to pay as damages because of **Bodily Injury**, **Property Damage**, or **Wreck Removal Operations**, arising out of the ownership, use, or maintenance of an **Insured Vessel**.

This insurance applies only if the **Bodily Injury**, **Property Damage**, or **Wreck Removal Operations** occur during the **Policy Period** as a result of a covered **Occurrence** that takes place during the **Policy Period**.

The limit of insurance stated on the Declarations Page of PART B: LIABILITY INSURANCE is the most **We** will pay for the sum of all **Bodily Injury, Property Damage, and Wreck Removal Operations** resulting from an **Occurrence** under this coverage part. This is the most **We** will pay regardless of the number of **Insured Vessels, Insured Persons**, claims made, **Suits** brought, or vessels involved in the **Occurrence**.

We will defend the **Insured Person** against any **Suit** seeking those damages. However, **We** will have no duty to defend the **Insured Person** against any **Suit** seeking damages to which this insurance does not apply. **We** may, at **Our** discretion, investigate any **Occurrence** and settle any claim or **Suit** that may result. However, **Our** right and duty to defend ends when:

- a. **We** have used up the applicable limit of insurance in the payment of judgments or settlements, or
- b. **We** have paid an amount equal to the applicable limit of insurance in **Defense Costs** to defend against such **Suits**, regardless of the number of **Insured Vessels, Insured Persons**, claims made, **Suits** brought, or vessels involved in the **Occurrence**.

2. EXCLUSIONS

We do not provide coverage under PART B: LIABILITY INSURANCE for:

- a. liability assumed by **You** under any contract or agreement (other than liability that **You** would have in the absence of the contract or agreement); however, this exclusion does not apply to any hold harmless agreement included in a storage or slip rental agreement that was in effect before the loss or damage for which recovery is sought in the claim or **Suit**;
- b. any claim or **Suit** for injury or damage by one **Insured Person** against another **Insured Person**;
- c. fines, penalties, or punitive damages, no matter how or why imposed, except as provided under PART B: LIABILITY INSURANCE, 3. LIABILITY COVERAGE EXTENSIONS, b. MARINE ENVIRONMENTAL DAMAGE, FINES AND PENALTIES COVERAGE;
- d. **Pollution**, including but not limited to:
 - 1) the sums which an **Insured Person** is legally liable to pay as a result of **Pollution** and/or seepage and/or contamination of any nature;
 - 2) the cost directly associated with the actual cleanup and containment of **Pollution** or contamination of any nature;
 - 3) the costs or expenses legally imposed upon an **Insured Person** by those government authorities assisting or monitoring **Pollution** or contamination of any nature;
 - 4) the administrative charges and civil expenses levied against an **Insured Person** by a judiciary body as a result of **Pollution** or contamination of any nature;
 - 5) the costs and expenses to defend an **Insured Person** against legal action from **Pollution** or contamination of any nature.
- e. liability of an **Insured Person** arising out of the loss of or distribution of material or information by but not limited to the use of telephone, radio, fax, e-mail or internet and also by internet, website use, content, hosting or social media;
- f. an **Occurrence** which results in **Bodily Injury** or **Property Damage** arising out of the transportation of the **Insured Vessel** on land;
- g. liability of an **Insured Person** as an employer under any Federal or State workers' compensation law or act, including but not limited to the Jones Act or any general maritime law or act except as covered under PART B: LIABILITY INSURANCE, 3. LIABILITY COVERAGE EXTENSIONS, a. CREW COVERAGE.

3. LIABILITY COVERAGE EXTENSIONS

The coverages provided below are part of and not in addition to the limit of insurance as stated in the Declarations Page of PART B: LIABILITY INSURANCE. In no event will **We** pay more than the PART B: LIABILITY INSURANCE limit stated on the Declarations Page. These coverage extensions apply only if the **Bodily Injury** or **Property Damage** occur during the **Policy Period** as a result of a covered **Occurrence** that takes place during the **Policy Period** and are subject to the exclusions, terms and conditions of **This Policy**.

a. CREW COVERAGE

In the event **You** employ crew, **We** will cover **Your** liability should **You** become legally obligated as defined in the Jones Act, and under general maritime act or law.

If **You** employ crew for more than a combined total of fifteen (15) days during the **Policy Period**, days being individually accounted for as full days as well as any part of a day, and if this coverage is required by **You** to be continued past these fifteen (15) days, then **You** must:

- 1) obtain prior agreement from **Us** in writing;
- 2) report all crew employment dates and names to **Us** in writing;
- 3) pay any premium deemed necessary by **Us**.

The most **We** will pay is the limit of liability shown in the Declarations Page, PART B: LIABILITY INSURANCE.

b. MARINE ENVIRONMENTAL DAMAGE, FINES AND PENALTIES COVERAGE

We will pay up to \$5,000 for each **Occurrence** but not more than an aggregate of \$10,000 for those fines or other penalties, excluding damages, levied or assessed by a government unit, resulting from physical injury or destruction of coastal or marine habitat arising from a physical contact with the **Insured Vessel**. Any payment by **Us** because of this coverage will reduce the PART B: LIABILITY INSURANCE limit.

c. MARINA AS ADDITIONAL INSURED

The yacht club or marina where the **Insured Vessel** is kept is added as an additional insured when required by the facility in a written agreement and executed prior to the **Occurrence**, but only with respect to liability for **Bodily Injury** and **Property Damage** arising out of an **Insured Person's** sole negligence in the maintenance, operation, or ownership of the **Insured Vessel** within the **additional insured's** marina, and only with respect to operations performed as a marina providing storage or service, except fueling, to the **Insured Vessel**.

PART C: ABRUPT AND ACCIDENTAL POLLUTION INSURANCE

1. INSURED PERILS

We will pay the removal costs and damages for which **You** are liable, arising from the abrupt, accidental and unexpected emission, escape, discharge, disposal, dumping, leakage, release or spillage of one or more **Pollutants** from an **Insured Vessel** in an **Occurrence** directly involving the **Insured Vessel** that is specific in place and time within the **Policy Period**, and provided always that such **Pollution**:

- a. was abrupt, unintentional and unexpected by **You**;
- b. that the **Pollution** commenced during the **Policy Period**;
- c. the **Pollution** became known to **You** within seventy-two (72) hours of its commencement;
- d. the **Pollution** was reported to **Us** in writing no later than five (5) days after being known to **You**;

- e. the **Pollution** was not a result of **Your** lack of due diligence to prevent or mitigate such **Pollution**.

We retain the right but not the duty to investigate and defend any **Pollution** claim, notice, inquiry or demand.

2. EXCLUSIONS

We do not provide coverage under PART C: ABRUPT AND ACCIDENTAL **POLLUTION** INSURANCE for:

- a. liability which has been assumed by contract or agreement;
- b. liability for **Bodily Injury** or death arising out of a spill of oil or release of any hazardous substance.
- c. liability for **Pollution** that is caused by or resulting from any intentional act or willful misconduct by **You** or any **Insured Person**;
- d. liability for natural resources damage, including but not limited to Natural Resource Damages under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. 9601 et seq., or any comparable statute.

3. COVERAGE CONDITIONS

This coverage shall not apply if **You** or any **Insured Person** refuses or knowingly fails to:

- a. report the **Pollution Occurrence** as required by law, and **You** or any **Insured Person** knows or has reason to know of the **Pollution Occurrence**; or
- b. provide all reasonable cooperation and assistance with containment and cleanup operations as required by law or by someone acting under legal authority.

4. LIMITATION OF COVERAGE

The limit stated on the Declarations Page of PART C: ABRUPT AND ACCIDENTAL **POLLUTION** INSURANCE is the most **We** will pay under this coverage part for any **Occurrence** during **This Policy Period**. This limit is also an aggregate limit for **This Policy Period**. This limit is the most **We** will pay regardless of the number of **Occurrences**, **Insured Vessels**, **Insured Persons**, premium paid, claims made, or vessels involved.

PART D: MEDICAL PAYMENTS INSURANCE

1. INSURED PERILS

Upon written request of the **Named Insured**, **We** will pay for necessary and reasonable medical, ambulance, hospital, professional nursing and funeral costs incurred within twelve (12) months of the **Occurrence** resulting in accidental physical injury to a person while in, upon, boarding or leaving **Your Insured Vessel**.

2. EXCLUSIONS

We do not provide coverage under PART D: MEDICAL PAYMENTS INSURANCE for any person:

- a. who is covered under any federal or state workers compensation law or act, including and not limited to the Jones Act of the United States or any general maritime act or law;

- b. who is an employee of any **Insured Person** and who is injured while in the course of employment or while using, maintaining or repairing **Your** insured property or **Insured Vessel**; however, this exclusion does not apply if the employee is aboard the **Insured Vessel** strictly as **Your** nonworking guest and not covered by health and accident insurance;
- c. who is a trespasser;
- d. for whom any responsibility for payment is assumed by any **Insured Person** under contract or agreement;
- e. who was receiving any form of reimbursement for services covering activities involving the **Insured Vessel** at the time, date and place of the **Occurrence**.

3. OTHER INSURANCE

If there are any other available medical or insurance benefits to the injured person, this coverage will be excess over such other insurance.

4. NOTICE OF LOSS CONDITION

The **Named Insured** must give **Us** or **Our** authorized agent notice in writing not more than seven (7) days after obtaining knowledge of any expense that may be covered under this coverage part. This notice should state when, where and how the event occurred, and should include the names and addresses of any witnesses. If there is failure to provide notice to **Us** as required, any claim for such loss will be denied if either **Our** lack of prompt opportunity to conduct a thorough and timely investigation of the facts has prejudiced **Us**, or if more than one (1) year has elapsed from the date of **Occurrence**.

5. PROOF OF LOSS CONDITION

A written, sworn Proof of Loss must be filed with **Us** by any person seeking payment by **Us** under PART D: MEDICAL PAYMENTS INSURANCE, or by someone responsible on their behalf.

This Proof of Loss must include:

- a. the name and address of each person and organization performing covered medical services;
- b. the nature, extent and dates of these medical services;
- c. receipts and similar documents confirming sums already paid.

This Proof of Loss must be filed (whichever occurs first):

- a. within thirty (30) days after completion of medical services;
- b. within thirty (30) days of **Our** request;
- c. within thirty (30) days after the cost of medical services being provided equals the amount of **Our** limit of insurance as stated on the Declarations Page of PART D: MEDICAL PAYMENTS INSURANCE; or
- d. within one year of the date of the **Occurrence**.

6. LIMIT OF COVERAGE

The limit of insurance stated on the Declarations Page of PART D: MEDICAL PAYMENTS INSURANCE is the most **We** will pay for all covered costs of each covered person injured as a result of any one **Occurrence**.

7. MEDICAL EXAMINATION AND EXPENSE CONDITION

Any person submitting a Proof of Loss must at **Our** option also:

- a. undergo as often as **We** reasonably require, at **Our** expense, examinations by qualified physicians appointed by **Us** when **We** request; and
- b. provide **Us** upon **Our** request all necessary authorizations to enable **Us** to obtain all medical records and statements under oath which in any way relate to injuries and medical services resulting from the **Occurrence**.

8. NO ACCEPTANCE OF LIABILITY

Payments made under PART D: MEDICAL PAYMENTS INSURANCE do not constitute acceptance of liability either by **You** or by **Us**.

9. The **PART D: MEDICAL PAYMENTS INSURANCE** coverage for injury to persons is extended to **Your** dog or cat, up to \$2,500 in any one **Policy Period**.
10. The **PART D: MEDICAL PAYMENTS INSURANCE** coverage is extended to cover persons riding on unpowered inflatable towables, while being towed by **your** vessel, up to \$5,000 in any one **Policy Period**.

PART E: UNINSURED/UNDERINSURED VESSEL INSURANCE

1. INSURED PERILS

We will pay damages for **Bodily Injury** sustained by an **Insured Person** during the **Policy Period** aboard the **Insured Vessel** resulting from an **Occurrence** during the **Policy Period** for which **You** are legally entitled to recover damages from an **Uninsured** or **Underinsured Vessel**.

2. EXCLUSIONS

We do not provide coverage under PART E: **UNINSURED/UNDERINSURED VESSEL INSURANCE**:

- a. for claims settled without **Our** written consent;
- b. if the **Uninsured** or **Underinsured Vessel** is owned by a government, its agency or unit;
- c. for any **Insured Person** using the **Insured Vessel** without prior permission of the **Named Insured**;
- d. where no evidence of physical contact exists between **Your Insured Vessel** and an unidentified vessel, or **Uninsured Vessel**;
- e. if the **Uninsured** or **Underinsured Vessel** is owned by, rented or chartered to, furnished or available for regular use of an **Insured Person**.

3. LIMIT OF COVERAGE

The limit of insurance stated on the Declarations Page of PART E: **UNINSURED/UNDERINSURED VESSEL INSURANCE** is the most **We** will pay for **Bodily Injury** resulting from any one **Occurrence**. This is the most **We** will pay regardless of the number of **Insured Vessels**, **Insured Persons**, premiums paid, claims made or vessels involved in the **Occurrence**.

Any amount payable under this coverage will be reduced by:

- a. all sums paid by or on behalf of those legally responsible; and
- b. all sums paid by any state or federal compensation law or act; and
- c. all sums paid under PART B: LIABILITY INSURANCE and PART D: MEDICAL PAYMENTS INSURANCE coverages of **This Policy**.

4. PAYMENT FOR A LOSS

We will not pay for damages under **Underinsured Vessel** coverage unless the **Insured Person** obtains judgment against the **Underinsured Vessel** and/or its operator, or reaches a settlement with **Our** consent, and collects upon the judgment or settlement to the extent recoverable. Then to the extent the covered claim is unpaid, **We** will pay the difference between the amount recovered from the **Underinsured Vessel** and its operator, and the **Underinsured Vessel** limit shown on the Declarations Page of **This Policy**.

PART F: U.S. LONGSHORE & HARBOR WORKERS' COMPENSATION ACT (AS AMENDED)

Where required, **We** will comply with all provisions of this Act and with the lawful orders of its Administrator, the U.S. Department of Labor. When coverage is shown on the Declarations Page for PART B: LIABILITY INSURANCE, insurance is also provided under this PART F: U.S. LONGSHORE & HARBOR WORKERS' COMPENSATION ACT (AS AMENDED). **We** will provide the **Named Insured** of the **Insured Vessel**, statutory coverage under the U.S. Longshore & Harbor Workers' Compensation Act, Title 33USC, 901 ct. seq., (as amended) for any **Occurrence** during the term of **This Policy** for claims under the Act for **Bodily Injury** at the time of **Occurrence**, illness, and/or death asserted by employees of the **Insured Person** who are covered under such Act if directly arising out of ownership, use or maintenance of the **Insured Vessel**.

ADDITIONAL COVERAGES

1. PROPERTY COVERAGES

a. COMMERCIAL TOWING OR ASSISTANCE

We will pay for the reasonable charge or necessary expenses **You** incur for towing the **Insured Vessel**, not to exceed the applicable limit shown on the Declarations Page, if the **Insured Vessel** becomes disabled and **You** cannot get voluntary help and **You** must obtain commercial assistance. **We** will only pay for the combined expenses incurred in connection with all the following emergency services:

- 1) towing to the nearest location where necessary repairs can be made.
- 2) delivery of fuel or repair parts to the site of disablement (excluding the cost of items delivered) and cost of emergency labor performed at the site of disablement.

This coverage is in excess of other collectable insurance and not subject to a deductible.

b. IMMINENT DANGER (VESSEL ASSISTANCE)

We will pay for loss of or damage to the **Insured Vessel** while assisting another vessel in imminent danger. However, **We** will not pay for such loss or damage if **You** or another vessel charge a fee for such assistance. **We** will not pay for loss from recreational towing activity. This coverage is not subject to a deductible.

c. SALVAGE, SUE AND LABOR

In the event of a covered loss to property covered by **This Policy**, **You** must make every reasonable effort to recover and protect said property from further loss, also known as Sue and Labor. **We** will pay the reasonable cost **You** incur or may be obligated to pay to minimize a covered loss and prevent additional loss or damage. **We** will pay for salvage charges **You** incur arising from a covered loss. The amount **We** pay for this coverage will not exceed the limit stated on the Declarations Page of PART A: PROPERTY INSURANCE. No act by **You** or **Us** in recovering, saving or preserving the insured property shall be considered as a waiver or acceptance of abandonment.

d. SEARCH AND RESCUE

If **Insured Person(s)** or guest(s) are lost overboard from the **Insured Vessel**, **We** will pay up to \$5,000 for reasonable search and rescue expenses **You** incur to recover such overboard person.

e. NEWLY ACQUIRED VESSEL OR TENDER

When the **Named Insured** acquires ownership of a new vessel or **Tender** during the **Policy Period**, and:

- 1) if it is **Seaworthy**; and
- 2) if it has not sustained any unrepaired damage; and
- 3) if it is of the same type as the **Insured Vessel** or **Tender** described on the Declarations Page and has a length no more than ten (10) feet greater than the **Insured Vessel**; and
- 4) if it is not more than ten (10) years old;

then PART A: PROPERTY INSURANCE and PART B: LIABILITY INSURANCE are extended to cover **Your** newly acquired vessel or **Tender**. However, this extended coverage will cease when one of the following occurs:

- 1) **This Policy** expires.
- 2) A period of thirty (30) days has passed since the vessel or **Tender** was acquired.

In the event of loss or damage to the newly acquired vessel during this limited period of coverage, the most **We** will pay for loss or damage will be the lesser of its cost to **You**, or the PART A: PROPERTY INSURANCE limit on the Declarations Page.

In order to continue this additional coverage for the newly acquired vessel or **Tender** beyond the specified thirty (30) day period, **Our** written agreement is required, but is not guaranteed.

The **Named Insured** must request within thirty (30) days of the date ownership was acquired, that the newly acquired vessel or **Tender** be added by endorsement to **This Policy** as an **Insured Vessel** at a stated value. It is a condition of coverage that there has been no covered **Occurrence** involving the newly acquired vessel.

The deductible for the newly acquired vessel or **Tender** will be the same deductible amount as described in PART A: PROPERTY INSURANCE.

f. TRAILER

If the trailer which **You** own is correctly designed to transport or store **Your Insured Vessel** or its **Tender** and the trailer suffers one or more direct physical loss or damage **Occurrences** during the **Policy Period** **We** will pay up to a combined total of \$10,000 for all such **Occurrences** which combined total paid by **Us** shall not exceed the **Actual Cash Value** of

the trailer prior to the first such damage or loss. A \$250 deductible shall be assessed for each such **Occurrence**. This coverage is excess over any other collectible insurance.

g. NEW VESSEL REPLACEMENT

If the **Insured Vessel** suffers an **Occurrence** resulting in a covered **Total Loss** or **Constructive Total Loss** and the **Named Insured** had purchased the **Insured Vessel** within the prior eighteen (18) months of the **Occurrence** and is its first and majority owner when lost, **We** will pay an additional ten percent (10%) of **Our** payment for the **Total Loss** when the **Named Insured** becomes the first and majority owner of a new, similar, replacement vessel if within twelve (12) months of the **Insured Vessel** loss **Occurrence**.

h. ELECTRONIC NAVIGATION AND COMMUNICATIONS EQUIPMENT

Notwithstanding any other provisions of **This Policy**, in the event of a covered **Occurrence** resulting in **Property Damage** that is confined solely to permanently installed **Electronics** the per **Occurrence** deductible shall be \$500. The most we will pay for **Property Damage** to any one piece of **Electronics** is \$10,000.

i. DEBRIS REMOVAL

If a **Total Loss** or **Constructive Total Loss** of the **Insured Vessel** is the result of a covered loss, we will pay up to an additional 5% of the **PART A: PROPERTY INSURANCE** limit for **Your** reasonable expenses in debris removal of the **Insured Vessel**.

2. LIABILITY COVERAGES

a. OPERATING ANOTHER VESSEL COVERAGE

We will pay damages **You** are legally obligated to pay under PART B: LIABILITY INSURANCE if **You** are operating another vessel with the permission of its owner. In addition, if there is a covered property loss, **We** will pay up to the amount of insurance shown on the PART A: PROPERTY INSURANCE of the Declarations Page. Both amounts are subject to the deductible amount stated on the Declarations Page of PART A: PROPERTY INSURANCE of **This Policy**. If there is any other applicable insurance against a loss covered by this provision, **We** will provide coverage only as excess over such other insurance. **We** do not provide coverage while **You** operate another vessel if:

- 1) the vessel is owned wholly or in part by **You**; or
- 2) the vessel is rented or under charter to **You**; or
- 3) the vessel is being used for purposes other than private pleasure use; or
- 4) the vessel is furnished for **Your** regular use; or
- 5) the vessel is a powerboat and capable of speed exceeding forty (40) statute mph.

b. ACCIDENTAL DEATH BENEFITS

If an **Insured Person** dies within 12 months of injuries sustained in the accidental **Sinking**, stranding, burning or collision of the **Insured Vessel**, we shall pay:

\$10,000 for the death of the **Named Insured**;

\$10,000 for the death of the spouse of the **Named Insured**;

\$2,000 for the death of any other **Insured Person**.

Any payment under this section does not constitute an admission of liability or fault for any

entitlement to recover against an **Insured Person** or invoke coverage under PART B: LIABILITY INSURANCE.

COMMON POLICY COVERAGE EXCLUSIONS

These exclusions apply throughout **This Policy**:

1. **We** do not provide coverage for loss or damage caused by an intentional act by an **Insured Person** or with the knowledge of or at the direction of an **Insured Person**.
2. **We** do not insure loss caused directly or indirectly by events excluded in the policy. Loss will be considered to have been caused by an excluded event if that event:
 - a. directly or solely results in loss; or
 - b. if loss results from a combination of causes, the loss is not covered if any of those causes is excluded under **This Policy**.
3. This insurance, including **Our** duty to defend a **Suit**, does not apply to **Bodily Injury, Property Damage, Pollution**, medical payments, U.S. Longshore & Harbor Workers', and Compensation Act that:
 - a. occurred before the inception date of **This Policy**; or
 - b. first commenced before the inception date of **This Policy**; or
 - c. first commenced before the inception date of **This Policy** and is, or is alleged to be, in the process of continuing or worsening at any time during the **Policy Period**.
4. **We** do not provide any coverage under **This Policy** for:
 - a. criminal or illegal activity by any **Insured Person** which activity is related to any claim, or the operation of any **Insured Vessel** in violation of any federal, state or local law. Social consumption of alcohol onboard the **Insured Vessel** by a person of legal age is not included in this exclusion;
 - b. any **Insured Vessel** that is used for hire, for charter, or is used for any commercial or non-recreational purpose unless prior written agreement granting **Our** written permission is made between **You** and **Us**; however, this exclusion does not apply to incidental usage for entertainment of **Your** business-related guests;
 - c. any obligation incurred or imposed by laws for workers' compensation, Jones Act, general maritime law, disability benefits or unemployment compensation, except for coverage provided under PART B: LIABILITY INSURANCE, 3. LIABILITY COVERAGE EXTENSIONS, a. CREW COVERAGE and PART F: U.S. LONGSHORE & HARBOR WORKERS' COMPENSATION ACT (AS AMENDED) of **This Policy**;
 - d. the **Insured Vessel** (excluding its **Tender**), insured property or any **Insured Person** during land transport by any means including loading or unloading from, or into, on, or upon any land conveyance;
 - e. the **Insured Vessel**, insured property and any **Insured Person** during water transport including being loaded or unloaded from or into, on, or upon any water conveyance;
 - f. the ownership, operation, maintenance or storage of **Personal Watercraft**;
 - g. loss to any vessel **Your** boat tows unless the towed vessel is covered under **This Policy**;
 - h. the towing of water skiers, parasailers, wakeboarders, or wakesurfers or any

similar activity;

- i. racing any vessel in either formal or informal activity, except organized racing for sailboats and predicted log contests for power boats;
 - j. scuba diving and similar activities;
 - k. any activity or accident involving one or more motorized vehicles designed for use on land;
 - l. any activity or accident involving an aircraft.
 - m. lack of reasonable care or due diligence in the maintenance of **Your Insured Vessel**, trailer or **Personal Effects**.
5. No person or organization having care, custody or control of the **Insured Vessel** or insured property, and is to be paid for services, will be covered by or benefit from **This Policy**. This exclusion includes, but is not limited to, persons or organizations and their employees and agents who are engaged in repair, towing, maintenance or supervisory activity, chartering or sales agency, and marine fueling.

6. NUCLEAR, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL, AND ELECTROMAGNETIC EXCLUSION CLAUSE

This clause shall be paramount and shall override anything contained in **This Policy** inconsistent therewith. In no case shall **This Policy** cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:

- a. any actual or threatened act involving nuclear, chemical, biological, bio-chemical or electromagnetic weapon, device, agent or material;
- b. ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- c. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- d. any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- e. the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

7. TERRORISM EXCLUSION CLAUSE

This Policy excludes any loss, damage, liability or expense arising from:

- a. terrorism; and/or
- b. steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism.

For the purpose of the clause, "terrorism" means any act(s) of any person(s) or organization(s) involving:

- a. the causing, occasioning or threatening of harm of whatever nature and by whatever means;
- b. putting the public or any section of the public in fear,

in circumstances in which it is reasonable to conclude that the purpose(s) of the person(s) or organization(s) concerned is (are) wholly or partly of a political, religious, ideological or similar nature.

GENERAL CONDITIONS

These conditions apply to all coverage parts throughout **This Policy**:

1. POLICY PERIOD

This Policy applies only to **Bodily Injury, Property Damage, and Wreck Removal Operations** occurring during the **Policy Period** stated in the Declarations or endorsements thereto.

2. INSURABLE INTEREST

The **Named Insured** must have an insurable interest in the **Insured Vessel** at time of a covered loss. If another person, beneficial owner or an entity other than the **Named Insured** is an owner, holds rights to insurance or any proceeds, an assignment, pledge or has any form of interest in the **Insured Vessel**, that person or entity must be disclosed to **Us** along with all details of the interest in the **Insured Vessel**. If an undisclosed interest exists, **We** will only pay **Your** interest. **We** will not pay for any loss to any undisclosed interest existing at time of **Occurrence**.

3. BREACH OF NAVIGATION LIMITS

If the **Insured Vessel** is navigated outside any warranted navigation limit endorsed on **This Policy**, the following General Condition will apply:

If the Navigation Limits endorsed on **This Policy** are breached due to matters beyond **Your** control, **This Policy** will remain in effect during the first one-hundred (100) hours of the specific breach, but only if **You** give **Us** written notice of the breach within ten (10) days after the breach, and **You** agree to pay any premium required by **Us** for this extension of coverage. If the Navigation Limit is breached voluntarily there shall be no coverage under **This Policy**, and any voluntary breach of the navigation limits will cancel policy coverage for a loss during the breach even if the loss is unrelated to this navigation breach unless both prior notice to **Us** and prior approval by **Us** is given in writing, and **You** have agreed to pay the premium required by **Us**.

4. BREACH OF SEAWORTHY WARRANTY

The **Named Insured** warrants that the **Insured Vessel** and its **Tender** shall be **Seaworthy** throughout the **Policy Period**. Breach of this warranty will suspend coverage under **This Policy** during the period of breach, and any loss that occurs during the time of the breach will not be covered even if the loss is unrelated to the breach of this warranty. If **We** learn of deficiencies that cause the **Insured Vessel** and/or its **Tender** to be in an un**Seaworthy** condition, **Our** knowledge of those deficiencies does not waive any breach of the **Seaworthy** Warranty or relieve **You** of the requirement to maintain the **Insured Vessel** and/or its **Tender** in a **Seaworthy** condition.

5. CONFLICT

In the event of a specific conflict of terms and conditions between wording in the policy and on an applicable endorsement, the endorsement terms and conditions shall govern.

6. PAYMENT OF PREMIUM AND FEES

Timely payment to **Us** or **Our** agent of the full amount of the **Initial Payment** due is a precondition to inception of coverage. Acceptance of partial payment of the initial premium by **Us** or **Our** agent shall not be deemed a waiver of the requirement of full payment of the initial premium, including coverage under any oral or written binder or other temporary insurance contract between **You** and **Us**. If **Your** initial premium payment is made by check, draft,

electronic funds transfer or similar form of remittance, coverage under **This Policy** is also conditional on payment to **Us** or **Our** agent when due by **Your** financial institution. If the financial institution does not honor **Your** check, draft, electronic funds transfer or similar form of remittance upon presentment, **This Policy** shall be deemed null and void from its inception without notice of cancellation or any other notice to **You** by **Us**. **We** will not be liable under **This Policy** for any claims or damages that would otherwise be covered had **Your** coverage not been voided for lack of timely **Initial Payment**. Any action by **Us** or **Our** agent to present **Your** payment to **Your** financial institution more than once shall not affect **Our** right to void **This Policy**.

In addition to premium, fees may be charged on **Your** policy. **We** may charge fees for installment payments, late payments and other transactions. Except with respect to the **Initial Payment**, payments made on **Your** policy will be applied first to fees, then to premium due.

7. NONRENEWAL

If **We** elect to non-renew **This Policy**, **We** will mail notice of nonrenewal to the **Named Insured** to the last mailing address known to **Us**. Proof of mailing will be deemed sufficient proof of notice. Notice will be mailed at least thirty (30) days before the end of the **Policy Period**.

We will not provide notice of nonrenewal if **We** have mailed a notice of cancellation.

8. CANCELLATION

You may cancel **This Policy** at any time by returning it to **Us** or by letting **Us** know in writing of the date cancellation is to take effect.

We may cancel **This Policy** by mailing notice of cancellation to the **Named Insured** to the last mailing address known to **Us**. Proof of mailing will be deemed sufficient proof of notice. Notice will be mailed at least:

- a. ten (10) days before the date cancellation takes effect when all premium and fees have not been paid when due;
- b. ten (10) days before the date cancellation takes effect when **This Policy** has been in effect for less than sixty (60) days and it is not a renewal with **Us**;
- c. thirty (30) days before the date cancellation takes effect when **This Policy** has been in effect for sixty (60) days or more; and
 - 1) if the risk has changed substantially since the policy was issued; or
 - 2) if **Your** primary place of residence or moorage is changed to a moorage, state or country in which **We** do not accept applications for the insurance provided by **This Policy**; or
 - 3) any other reason allowed by law.

9. RETURN PREMIUMS

If **This Policy** is cancelled, **You** may be entitled to a partial premium refund. If **We** cancel **This Policy**, any return premium will be computed on a pro-rata basis. If the **Named Insured** cancels **This Policy**, any return premium will be computed on a pro-rata less ten (10) percent basis. No premium will be returned to the **Named Insured** if **We** have paid for a **Total Loss** or **Constructive Total Loss** of the **Insured Vessel** under **This Policy**. Your policy premium shall become fully earned and any uncollected premium shall be deducted from your final loss statement.

10. AUTOMATIC POLICY TERMINATION

This Policy will automatically terminate:

If **We** offer to renew **This Policy** and the **Named Insured** or authorized representative does not accept in writing, **This Policy** will automatically terminate at the end of the current **Policy Period**. Failure to pay a required renewal premium when due will mean **Our** offer was not accepted.

If **You** sell or transfer **Your** interest in any **Insured Vessel**, **This Policy** will terminate on the effective date of the sale or transfer.

11. POLICY NONCONFORMITY

Should any portion of **This Policy** be in conflict with any applicable federal or state law or regulation, **This Policy** is amended to conform to the federal or state law or regulation to the minimum extent necessary to achieve such conformity.

12. OUR RIGHT TO RECOVER

- a. If **We** make a payment under **This Policy**, and the **Insured Person** to whom or for whom payment was made has the right to recover from another person or organization for the covered loss, **We** will be subrogated to that right, and at **Our** option **We** may exercise that right of recovery or assign it if **We** choose. That **Insured Person** will do whatever is necessary to enable **Us** to exercise **Our** rights and neither **You** nor that **Insured Person** will do anything after the loss to prejudice these rights.
- b. If **We** make a payment under **This Policy** and the **Insured Person** to or for whom payment is made recovers damages from another source, that **Insured Person** will promptly and equitably reimburse **Us** to the extent of **Our** payment.
- c. If **We** make a payment under **This Policy** for loss or damage or theft and there is related salvage or recovery, **We** have the first right to recovery of this salvage or recovery up to the extent of **Our** payment.

13. OUR DECLARATION OF TOTAL LOSS OR CONSTRUCTIVE TOTAL LOSS

At **Our** discretion, **This Policy** is terminated upon the date of **Our** notifying the **Named Insured** in writing, either delivered to the **Named Insured** personally, via electronic mail notification or mailed to the last mailing address known to **Us** for the **Named Insured**, stating **Our** declaration that the **Insured Vessel** is either a **Total Loss** or a **Constructive Total Loss**. As of the date of this notification, **You** shall cease incurring any expenses for **Our** account or any expenses under the SUE AND LABOR coverage of **This Policy**. Within thirty (30) calendar days of the notification date **We** will pay the **Named Insured** the limit shown on the Declarations Page, PART A: PROPERTY INSURANCE of **This Policy** with no deductible applied but less any applicable prior payments. Once **We** pay **Our** policy limit under PART A: PROPERTY INSURANCE there will be no further payment required from **Us** under this coverage part.

14. CONCEALMENT, FRAUD OR MISREPRESENTATION

All coverage provided under **This Policy** is void from the beginning, and in addition, **This Policy** may be rescinded by **Us**, if **You** conceal or misrepresent any material fact or circumstance related to this contract of insurance at any time, regardless of **Your** intent, or if **You** intentionally conceal or misrepresent any fact, regardless of its materiality:

- a. before or after a loss; or
- b. before, during or after the underwriting process; or
- c. related to an **Occurrence** involving **This Policy**.

15. ABANDONMENT

You cannot abandon any property to **Us** or a third (3rd) party unless **We** agree in writing.

16. TRANSFER OF RIGHTS AND DUTIES UNDER **THIS POLICY**

The rights and duties of an **Insured Person** under **This Policy** may not be transferred without **Our** written consent except in the case of death of an individual **Insured Person**. If an **Insured Person** dies, their rights and duties will be transferred to their legal representative but only while acting within the scope of duties as their legal representative. Until a legal representative is appointed, anyone having proper temporary custody of the **Insured Person's** property will have their rights and duties but only with respect to that property.

17. MULTIPLE POLICY ANTI-STACKING CONDITION

If **This Policy** and any other policy issued to **You** by **Us** applies to the same **Occurrence**, the total combined aggregate limit of insurance for all the policies shall not exceed the highest applicable Limit of Insurance under any one policy. This provision applies regardless of the number of **Insured Person (s)**, claims made, or persons or properties injured.

18. OTHER INSURANCE

If at the time of loss there is any other applicable insurance, any insurance provided by **This Policy** will be deemed excess over any other valid and collectable insurance.

19. CLAIM OR **SUIT** AGAINST AN **INSURED PERSON**

If a claim is made or **Suit** is brought against an **Insured Person** for liability that may be covered under **This Policy**, then the **Insured Person** must immediately notify **Us** and promptly send **Us** every demand, notice, summons and all other legal papers received by the **Insured Person** or their representative. An **Insured Person** must assist and cooperate with **Us** in **Our** investigation and defense of the claim or the **Suit** brought. **We** shall also have the option of naming attorneys to represent the **Insured Person** in the **Suit**. If this is done, **We** have the sole right to control the defense of the **Suit**.

20. LEGAL ACTION AGAINST **US**

An **Insured Person** agrees not to bring legal action against **Us** unless the **Insured Person**:

- a. has complied with all of the provisions of **This Policy**; and
- b. has initiated the legal action within one (1) year after the original date of loss under PART A: PROPERTY INSURANCE or has filed a Proof of Loss and the loss amount has been mutually determined; and
- c. under PART B: LIABILITY INSURANCE, the **Insured Person's** obligation has been determined by a court trial and final judgment or by written agreement among **Us**, the **Insured Person** and the claimant.

21. APPLICABLE LAW

This Policy is governed by the applicable federal maritime law or maritime rule of the United States and, if none, then by law of the state of Oregon.

LOSS CONDITIONS

These conditions apply throughout **This Policy**:

1. NOTICE OF LOSS

You must give **Us** notice in writing as soon as **You** have knowledge of any **Occurrence**, including theft, but not more than thirty (30) days after **You** have such knowledge of any 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 report within seven (7) days when **You** are aware that **Your** property has been stolen, vandalized, or has been subject to a criminal action. If **You** do not provide the notice to **Us** as soon as possible as required by this section, any claim for such loss under **This Policy** may be denied if **Our** lack of opportunity to conduct thorough and timely investigations of the facts, including physical inspections of damaged property, has prejudiced **Us**.

2. PROOF OF LOSS

You must file with **Us** as soon as possible after receiving **Our** written request, a detailed Proof of Loss signed and sworn to by **You** setting forth the facts of the loss. **We** may also require **You** to submit to examinations under oath. See PART D: MEDICAL PAYMENTS INSURANCE for special Proof of Loss requirements for medical payments claims.

3. AGREED VALUE OF PROPERTY

The limit shown on the Declarations Page of PART A: PROPERTY INSURANCE is the value agreed upon between **You** and **Us** for this property.

4. VALUATION OF LOSS

Subject to the limits on the Declarations Page, and except as limited below, in the event of loss or damage insured by PART A: PROPERTY INSURANCE of **This Policy**, **We** will pay the lesser of; the cost of replacement with property of like kind and quality, or the cost to repair with no deduction for depreciation, or the policy limit:

- a. **Internal Machinery** over seven (7) years old, will not pay more than the **Actual Cash Value**.
- b. **External Machinery, Running Gear, Textiles and Tenders** over three (3) years old, **We** will not pay more than **Actual Cash Value**, unless caused by fire, lightning, **Sinking**, or vandalism.
- c. **Personal Effects**, **We** will not pay for more than the **Actual Cash Value** unless caused by fire, lightning, **Sinking**, theft or vandalism.

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

We shall determine in our sole discretion, whether the **Insured Vessel** is either a **Total Loss** or a **Constructive Total Loss**.

The maximum amount **We** will pay for a **Total Loss** or **Constructive Total Loss** to the **Insured Vessel**, is the LIMIT of insurance stated on the Declarations Page for COVERAGE PART A: PROPERTY INSURANCE. If the **Insured Vessel** is stolen and not located within forty-five (45) days after **You** present **Your** claim to **Us**, and there is no dispute by either **You** or **Us** over the claim, the **Insured Vessel** shall be considered a **Total Loss**.

5. APPRAISAL

If **We** and **You** disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In the event of an appraisal, each party will select an impartial appraiser competent in the subject matter of the loss. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of the court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences 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 other expenses of the appraisal and umpire equally.

If there is an appraisal, **We** will still retain **Our** right to deny the claim.

6. DEDUCTIBLE FOR PART A: PROPERTY INSURANCE

We will adjust each claim separately for covered loss or damage to **Your Insured Vessel**. **We** will treat, as one claim, any two or more such covered losses resulting from the same **Occurrence**. The amount **We** pay for each covered **Occurrence** will be reduced by the PART A: PROPERTY INSURANCE deductible stated on the Declarations Page of **This Policy** except for:

a. Deductible applicable to **Tender**

The amount **We** pay for a covered **Occurrence** resulting in loss or damage solely to a **Tender**, or its motor, will be reduced by the applicable deductible stated on the Declarations Page of **This Policy** or applicable endorsement for the **Tender** and its motor. If both the **Tender** and its motor are subject to the same **Occurrence**, only one deductible will apply.

b. Deductible applicable to **Personal Effects**

The amount **We** pay for covered loss or damage to **Personal Effects** will be reduced by the applicable deductible stated on the Declarations Page of **This Policy**.

7. LOSS PAYEE

If **This Policy** identifies a Loss Payee for PART A: PROPERTY INSURANCE, all claims for loss or damage will be adjusted with the **Named Insured**, and **We** will issue any resulting payments to the **Named Insured** and the Loss Payee jointly as the interests may appear.

8. ASSISTANCE AND COOPERATION

Any **Insured Person** making a claim must:

- a. assist and cooperate with **Us** in the complete investigation of the claim;
- b. assist and cooperate with **Us** in the enforcement of any right of subrogation, contribution or indemnity against any person or entity which may be liable to any **Insured Person**;
- c. allow **Us** to inspect and appraise all damaged property, before it is repaired or disposed of;
- d. sign written authorizations permitting **Us** to obtain medical files and other pertinent records;
- e. submit, at **Our** expense and as often as **We** require, to examinations by physicians **We** select and at the time and place **We** select;
- f. not assume any obligation or admit any fault or liability that **You** or **We** may be liable for without first obtaining **Our** written consent; and
- g. not incur expenses without obtaining **Our** written consent, except **You** may incur expenses without obtaining **Our** written consent for those covered expenses under PART D: MEDICAL PAYMENTS INSURANCE and PART A: PROPERTY INSURANCE, 4. ADDITIONAL COVERAGES, a. COMMERCIAL TOWING OR ASSISTANCE and c. SALVAGE, SUE AND LABOR.

Insured Name:

Policy No:

ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULED TENDER

This endorsement modifies insurance provided under the following:

MARINE INSURANCE POLICY

Notwithstanding any other provisions of **This Policy**, the **Scheduled Tender** is added to **This Policy** as a **Tender** of the **Insured Vessel**.

Description of Scheduled Tender
(Including its motor if applicable):

Stated Value

Deductible

:

In the event of a **Total Loss** or other covered loss or damage to the **Tender** or its motor, **We** will pay under PART A: PROPERTY INSURANCE the value of the loss or damage in accordance with paragraph **4. Valuation of Loss** of the LOSS CONDITIONS section of **This Policy**. The Stated Value set forth above is the most **We** will pay under PART A: PROPERTY INSURANCE in the event of a **Total Loss** to the **Tender** or its motor. If both the **Tender** and its motor are subject to loss from the same **Occurrence**, only the larger of the two deductibles apply. In the event of a **Total Loss** to both the **Scheduled Tender** and the **Insured Vessel**, the PART A: PROPERTY INSURANCE deductible stated on the Declarations page of **This Policy** for the **Insured Vessel** will apply.

Insured Name:

Policy No:

ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TRIP ENDORSEMENT

This endorsement modifies insurance provided under the following:

MARINE INSURANCE POLICY

This Policy is extended to provide **Coverage** for the following described trip:

Description of Trip:

From:

To:

Leaving not before:

Returning not after:

The PART A: PROPERTY INSURANCE deductible to apply during the covered trip is amended to:

Navigational Limits:

Additional Requirements:

The navigational limits are amended as above or by separate endorsement. This extension of **This Policy** will become effective no earlier than the date shown above as "Leaving not before", and will cease to provide insurance after the date shown above as "Returning not after". The words **Leaving** and **Returning** mean the departure from the normal navigation warranty.

During the period of this extension the deductible that applies to PART A: PROPERTY INSURANCE will be the deductible shown above when the Insured Vessel is outside its normal navigation warranty.

During the time this extension is effective **You** warrant that **You** shall comply with all requirements set forth. In the event **You** do not comply with the warranted requirements, **This Policy** will be made void by **You**, and **We** will not cover loss or damage that may occur while **This Policy** is void to **Your** failure to comply with all requirements.

The premium for this endorsement is fully earned upon issuance and there is no provision for a return of premium for this endorsement.

ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FIRE EXTINGUISHER SYSTEM CONDITION

This endorsement modifies insurance provided under the following:

MARINE INSURANCE POLICY

The following are conditions of coverage under **This Policy**:

The **Insured Vessel** is equipped with a built-in and automatic fire extinguishing system, properly installed in the machinery space and maintained in good and efficient order, and that this system will be serviced and inspected annually.

We do not provide coverage for loss or damage arising out of the breach of any of these conditions.

SAMPLE

Insured Name:

Policy No:

ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INTERESTS

This endorsement modifies insurance provided under the following:

MARINE INSURANCE POLICY

In addition to the Loss Payee(s) shown in the Declarations or elsewhere in this policy, the following persons or organizations also have an interest in the covered property:

1. Name & Address:

Description of Interest:
Effective Date of Interest: (Optional)

2. Name & Address:

Description of Interest:
Effective Date of Interest: (Optional)

Insured Name:

Policy No:

ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULED PORT CONDITION

This endorsement modifies insurance provided under the following:

MARINE INSURANCE POLICY

This endorsement cancels and replaces any Navigational Limits endorsement attached to and forming a part of **This Policy**.

Scheduled Port:

It is a condition of coverage under **This Policy** that:

The **Insured Vessel** will be confined to the Scheduled Port location from _____ to _____ These dates are inclusive.

The **Insured Vessel**, however, may travel outside the Scheduled Port for periods of 4 hours or less and not more than 5 miles from its berth, for the purpose of demonstration for sale. The **Insured Vessel** may also travel within the Scheduled Port for purposes of service and fueling.

We do not provide coverage for loss or damage arising out of a breach of this condition. .

Insured Name:

Policy No:

ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – LIABILITY – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

MARINE INSURANCE POLICY

Scheduled Person or Organization:

The **Scheduled Person or Organization** is added as an additional insured under PART B: LIABILITY INSURANCE, but only with respect to liability for **Bodily Injury** and **Property Damage** arising out of an **Insured Person's** sole negligence in the maintenance, operation, or ownership of the **Insured Vessel** within the additional insured's marina, and only with respect to operations performed as a marina providing storage or service, except fueling, to the **Insured Vessel**.

Insured Name:

Policy No:

ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED OPERATOR CONDITION

This endorsement modifies insurance provided under the following:

MARINE INSURANCE POLICY

Scheduled Persons:

It is a condition of coverage under **This Policy** that:

The **Insured Vessel** shall be operated only by Scheduled Persons.

We do not provide coverage for loss or damage arising out of a breach of this condition.

Insured Name:

Policy No:

ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULED OVERLAND TRANSIT

This endorsement modifies insurance provided under the following:

MARINE INSURANCE POLICY

Notwithstanding any other provisions of **This Policy**, PART A: PROPERTY INSURANCE is extended to cover **Property Damage** to the **Insured Vessel** during the **Scheduled Overland Transit** subject to the terms and conditions below:

Scheduled Overland Transit:

Departure Date

Location:

Ending Date

Location:

Name of Carrier or Transporter:

The deductible that will apply for each **Occurrence** during this **Scheduled Overland Transit** is: _____

This extension of PART A: PROPERTY INSURANCE is effective only between the Departure and Ending Dates set forth above, and only while the **Insured Vessel** is being loaded, transported, and unloaded in the course of the **Scheduled Overland Transit**.

The extension of PART A: PROPERTY INSURANCE to the **Scheduled Overland Transit** will not apply to **Property Damage** occurring outside of the Departure and Ending dates unless prior to any covered **Occurrence** we agree to a change in the **Scheduled Overland Transit** and **You** have paid any additional premium required by **Us**.

If the person or entity transporting the **Insured Vessel** or some other party is legally liable for **Property Damage** to the **Insured Vessel**, we will pay on the unrecovered balance of **Your Property Damage** claim after **You** have pursued judgment against the liable party or reached a settlement with **Our** consent, and collected upon the judgment or settlement to the extent recoverable.

The **Named Insured** will not grant any form or type of hold harmless agreement to Carrier or Transporter.

ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SAILBOAT RIGGING EXCLUSION

This endorsement modifies insurance provided under the following:

MARINE INSURANCE POLICY

The following is added to PART A: PROPERTY INSURANCE, Section 2. PROPERTY NOT COVERED:

We do not cover the following property:

The **Insured Vessel's** masts, booms, sails, and rigging unless loss is by fire or lightning.

SAMPLE

ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MACHINERY DAMAGE – NAMED PERILS

This endorsement modifies insurance provided under the following:

MARINE INSURANCE POLICY

1. Effective from inception, the limit of insurance stated on the Declarations page for **PART A: PROPERTY INSURANCE** is the most **We** will pay for the sum of all loss or damage under this coverage part to the **Insured Vessel**.

Except for the **Internal Machinery, External Machinery, and/or Running Gear** as part of the **Insured Vessel, We** will provide coverage for abrupt and accidental direct physical loss or damage to **Your Insured Vessel** caused by an **Occurrence**, except as excluded or limited to **This Policy**.

For the **Internal Machinery, External Machinery, and/or Running Gear** as part of the **Insured Vessel, We** will provide named perils coverage for abrupt and accidental direct physical loss or damage to **Your Insured Vessel** caused by an **Occurrence**, except as excluded or limited in **This Policy**. Named Perils insured against are fire, theft, lightning, **Sinking** and stranding. Collision is also insured against if there is visible loss or damage to the hull or **Running Gear**. There is no coverage if the loss or damage is solely attributed to **Wear and Tear**.

2. **PROPERTY COVERED**

We cover the following property:

- a. The **Insured Vessel** identified on the Declarations Page.
- b. **Your Insured Personal Effects** while on board the **Insured Vessel** or while being carried onto or off of the **Insured Vessel**. **We** also apply this coverage to the **Personal Effects** of **Your** guests.
- c. The **Insured Vessel's** equipment while removed temporarily (not to exceed 150 days) from the **Insured Vessel** for storage on shore not to exceed ten (10) percent of the amount of **PART A: PROPERTY INSURANCE** stated on the Declarations Page. The stated amount of property insurance covering the **Insured Vessel** will be reduced by the value of any **Insured Vessel's** equipment which is temporarily on shore.
- d. Your kayaks, rowboats, windsurfers and paddleboards while in **Your** care, custody and control subject to a sublimit of \$2,000 per item and a maximum of \$4,000 per loss.

Except as amended in this endorsement all other terms and conditions of the policy and endorsements remains unchanged.

ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MARINE SANITATION DEVICE CONDITION

This endorsement modifies insurance provided under the following:

MARINE INSURANCE POLICY

The following are conditions of coverage under **This Policy**:

1. The **Insured Vessel** is equipped with a functioning marine sanitation device as required by applicable law or regulation;
2. The marine sanitation device will be maintained in proper working order per the manufacturer's specifications; and
3. The marine sanitation device will only be emptied in accordance with applicable law or regulation.

We do not provide coverage for loss or damage arising out of the breach of any of these conditions.

ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MARIJUANA EXCLUSION

1. The following is added to **COMMON POLICY COVERAGE EXCLUSIONS**:

We do not provide any coverage under **This Policy** for:

- a. Activities, losses or claims involving or resulting from possession, transportation, production, processing, sale or use of "Marijuana".
- b. This exclusion applies to actual or alleged acts or omissions in the:
 - (1) Selling, furnishing, distributing, importing or exporting of "Marijuana";
 - (2) Display, marketing or advertising of "Marijuana";
 - (3) Cultivating, growing or processing of "Marijuana";
 - (4) Preparing, cooking or combining "Marijuana" with food, drink or other products;
 - (5) Owning, storing, protecting, securing, handling or transporting "Marijuana";
 - (6) Furnishing of "Marijuana" to anyone under the legal age.

2. The following is added to **PART A: PROPERTY INSURANCE, Section 2. PROPERTY NOT COVERED**:

We do not cover the following property: "Marijuana"

3. The following is added to **DEFINITIONS**:

"Marijuana" means Cannabis, as well as any item or product containing Cannabis or its active ingredient Tetrahydrocannabinol whether natural or synthetic, including but not limited to:

- a. Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or
- b. Any compound, byproduct, extract, derivative, mixture or combination such as but not limited to: resin, oil, wax, hash, hemp, infused liquid, or edibles.

ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PUNITIVE OR EXEMPLARY DAMAGES EXCLUSION

This endorsement modifies insurance provided under the following:

MARINE INSURANCE POLICY

The following is added to **COMMON POLICY COVERAGE EXCLUSIONS**:

The amount we pay for damages does not include, and there is no coverage for, and this insurance does not apply to:

- a. Punitive or exemplary damages;
- b. Fines;
- c. Penalties;
- d. Treble damages or any other multiplied damages;
- e. Attorney fees, fees, costs, disbursements, interest or any other expense imposed in connection with items a., b., c. or d. above.

ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OVERLAND TRANSIT ENDORSEMENT

COMMON POLICY COVERAGE EXCLUSIONS: 4. d. is deleted and replaced by the following:

We will provide coverage under Part A: Property Insurance for abrupt and accidental direct physical loss or damage to **Your Insured Vessel** or its **Tender** caused by an **Occurrence**, except as excluded or limited in **This Policy**, if damaged while being transported overland on its trailer. Coverage will be restricted to a 250-mile radius from your home port, moorage or storage yard, as described in your application for this insurance unless endorsed to this policy.

SAMPLE

ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ACTUAL CASH VALUE DEFINITION

This endorsement modifies insurance provided under the following:

MARINE INSURANCE POLICY

The following are added to **DEFINITIONS:**

1. **Actual Cash Value** means the lessor of:
 - a. When the damage to property is **Economically Repairable**, **Actual Cash Value** means the **Cost of Repairing** the damage, less a reasonable deduction for **Wear and Tear**, deterioration and obsolescence.
 - b. When the loss or damage to property creates a **Total Loss**, **Actual Cash Value** means the market value of property in a used condition equal to that of the destroyed property, if reasonably available on the used market.
 - c. Otherwise, **Actual Cash Value** means the market value of new, identical or nearly identical property less reasonable deduction for **Wear and Tear**, deterioration and obsolescence.
2. **Cost of Repairing** for **Internal Machinery, External Machinery, and Running Gear**:
 - a. Shall not include additional costs for improvement(s), upgrade(s), or ongoing or scheduled maintenance; and
 - b. With respect to labor costs, shall be limited based on the age of the damaged components as follows: (actual labor costs) x (1/40th per year depreciation up to 32 years) = (labor costs we pay).
3. **Total Loss** means the property is lost or not **Economically Repairable**.
4. **Economically Repairable** means cost of repair is less than market value immediately prior to loss.