



ace recreational
marine insurance

YACHTSMAN® / BOATSMAN® POLICY

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YACHTSMAN[®] / BOATSMAN[®] POLICY

AGREEMENT AND DEFINITIONS

INSURING AGREEMENT: This is a legally binding insurance contract between **you** and **us**, incorporating in full the information and representations contained upon the application form signed by **you**. **We** will provide the insurance coverage described in this policy, in return for payment to **us** of the premium due and compliance by **Covered Persons** with the provisions, conditions and warranties of this policy.

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

1. **Bodily Injury** means physical bodily injury, sickness or disease arising from an **Occurrence** sustained by a person, including death resulting from any of these.
2. **Constructive Total Loss** means a loss in which the cost of recovering and/or repairing the **Insured Vessel** is greater than the PART A: PROPERTY DAMAGE AMOUNT OF INSURANCE as shown on the Declarations Page.
3. **Covered Person** is defined as **you**, or any person or legal entity operating the **Insured Vessel** as shown on the Declarations Page with **your** direct and prior permission. It does not include any person or legal entity operating the **Insured Vessel** and acting in the capacity of employee or agent of a marina, repair yard, yacht club, sales agency, boat service station, towing or salvage entity or other similar organization. However, **we** will cover non-contractual liability of a **Covered Person** for **Bodily Injury** or **Property Damage** caused by any of these persons or organizations.
4. **Dinghy/Tender** is defined as a small vessel including any associated propulsion unit owned by **you**, capable of being carried aboard the **Insured Vessel** and used in conjunction with the **Insured Vessel** but does not meet the definition of **Personal Watercraft**.
5. **Fungi** means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by **Fungi**.
6. **Horsepower** is defined as that amount stated by the manufacturer as peak-developed **Horsepower** as measured at the flywheel.
7. **Insured Vessel** is defined as the vessel(s) shown on the Declarations Page including:
 - a. Furniture, spars, sails, machinery, fittings and other equipment normally required for the operation, navigation or maintenance of the **Insured Vessel**;
 - b. **Dinghy/Tenders**;
 - c. Any vessel in which **you** acquire ownership of during the Policy Period and:
 - i. has a maximum designed speed no greater than seventy (70) miles per hour;
 - ii. has length no more than ten (10) feet greater than the length of the **Insured Vessel**;
 - iii. has a purchase price no more than 20% greater than the **Insured Vessel**; and
 - iv. is not a **Personal Watercraft**; however,
 1. **you** must notify **us** within thirty (30) days of the time **you** acquire the vessel and pay any additional premium required. Failure to provide **us** with the required notice shall result in no coverage under the policy for the acquired vessel;
 2. In the event **we** have not been notified and a loss is sustained within thirty (30) days of the time **you** acquire the vessel, **we** will pay no more than its cost to **you** or the PART A: PROPERTY DAMAGE AMOUNT OF INSURANCE, whichever is less, subject to a deductible of 2% percent of the amount **you** paid for the acquired vessel.
8. **Latent Defect** is a hidden flaw in the material of a component part of the **Insured Vessel** existing at the time of the building of the component part which is not discoverable by visual observation or common or ordinary methods of testing at the time the component part was manufactured.
9. **Lay-up** is defined as taking **your Insured Vessel** out of active service and decommissioning it for the period of time as shown on the Declarations Page. **Lay-up** can include either storage on land or afloat, also as shown on the Declarations Page.
10. **Navigation and Communication Equipment** means permanent systems on board the **Insured Vessel** that enable the **Insured Vessel** to navigate safely or communicate with other vessels or persons.
11. **Occurrence** means a loss or accident to which this insurance applies and which takes place within the policy period appearing upon the Declarations Page of this policy.

12. **Personal Property** is defined as clothing, personal effects, fishing gear and equipment, sports equipment, personal electronics and computer hardware that belong to **you**, **Resident Relatives**, or **your** guests, while these items are on board or are being loaded on to or unloaded from the **Insured Vessel**. **Personal Property** does not include money, jewelry, furs, traveler's checks or any other valuable papers or documents. **Personal Property** does not include any items or equipment contained within the definition of **Insured Vessel**.
13. **Personal Watercraft** is defined as a vessel powered by internal water jet propulsion, less than thirteen (13) feet in length which the operator sits upon or stands astride and is commonly referred to as a wave runner or jet ski.
14. **Property Damage** means accidental, direct physical loss or damage to tangible property arising from an **Occurrence**. Tangible property does not include money, stocks, bonds, deeds, mortgages, or other instruments of a similar nature.
15. **Pollution** means **Property Damage**, clean up costs or containment expenses imposed by any federal, state, or local statute or regulation or reasonably incurred by **you** arising out of the sudden and accidental discharge, spillage, leakage or emission of waste, oil, fuel, petroleum or chemical products.
16. **Resident Relative** means a person who at the time of an **Occurrence** is related by blood, marriage, civil union or adoption to the **named insured**, spouse or domestic partner, and who resides in the **named insured's** household, even if temporarily living somewhere else. **Resident Relative** includes any ward or foster child who usually resides within the **named insured's** household.
17. **Total Loss** means the **Insured Vessel** shown on the Declarations Page is completely lost or destroyed.
18. **Tropical Depressions, Tropical Storms and Hurricanes** are defined as those so designated by the National Weather Service and/or the National Hurricane Center.
19. **Uninsured Boater and Uninsured Owner-Operator** means any owner or operator of a vessel, other than an **Insured Vessel** covered by this policy, who is legally responsible for an **Occurrence** and:
 - a. to whom no liability policy affords coverage; or
 - b. who cannot be identified, such as a hit-and-run operator.

PART A: PROPERTY DAMAGE COVERAGE

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

VALUATION: The amount shown on the Declarations Page or endorsements of this policy for PART A: PROPERTY DAMAGE COVERAGE represents the agreed value of the **Insured Vessel**. This is the maximum amount we will pay in the event of a covered loss for **Property Damage** to the **Insured Vessel**.

EXCLUSIONS: We do not provide coverage under PART A: PROPERTY DAMAGE COVERAGE for any loss or resulting damage from:

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

EQUIPMENT ON SHORE: We will provide coverage for all equipment contained in the definition of **Insured Vessel** that is removed temporarily from the **Insured Vessel** for storage on shore. The amount of insurance applicable to the **Insured Vessel** will be reduced by the amount covered on shore.

DEDUCTIBLE AMOUNT

- a. We will adjust each claim separately for a covered loss to the **Insured Vessel**. The Deductible Amount shown on the Declarations Page will be deducted from the claim payment. For deductible purposes, we

will treat two (2) or more covered losses resulting from the same **Occurrence** as one (1) claim. No deductible will be applied in the event of a **Total Loss** or **Constructive Total Loss** to the **Insured Vessel**, except for conditions outlined in paragraph b below;

- b. if a Windstorm Deductible Amount is shown on the Declarations Page or by endorsement, **we** will apply that deductible to covered losses caused by wind, rain, water, wave or hail when those losses are the result of either a **Tropical Depression, Tropical Storm or Hurricane**. This deductible will be in lieu of the PART A: PROPERTY DAMAGE COVERAGE DEDUCTIBLE AMOUNT shown on the Declarations Page or by endorsement and will be applied to the amount of each loss. It will be applicable to all partial, **Total Losses** or **Constructive Total Losses**.

LOSS SETTLEMENT: In the event of loss or damage to the **Insured Vessel**, **we** will pay the lowest of the following amounts:

- a. the cost of repair; or
- b. the cost of replacement with no deduction for depreciation, except as specified in the Property Subject to Depreciation provision of this coverage part; or
- c. the PART A: PROPERTY DAMAGE COVERAGE AMOUNT OF INSURANCE as shown on the Declarations Page.

We have the option to repair damages to metal, wood, plastic, fiberglass or other molded material of the **Insured Vessel**:

- a. in accordance with customary boatyard repair practices, including the reasonable cost of suitable patches to the damaged area; or
- b. in accordance with repair procedures recommended by the builder or manufacturer.

The amount **we** will pay for a **Total Loss** or **Constructive Total Loss** shall be reduced by the amount paid for repairs of prior covered damage not completed at the time of the **Total Loss** or **Constructive Total Loss**.

PROPERTY SUBJECT TO DEPRECIATION: In the event of **Property Damage** to **your Insured Vessel's** sails, dodgers, protective coverings inclusive of all-weather bridge and cockpit enclosures, carpeting, upholstery, cushions, fabrics, outboard motors or outdrive units, machinery inside the **Insured Vessel** which is over seven (7) years old, or components of any of the preceding items which requires replacement or repair, **we** will pay the lesser of:

- a. the cost to repair;
- b. the cost of replacement; or
- c. the actual cash value at the time of loss, which is defined herein as replacement cost less depreciation.

However, with respect to the items specified above, in no event shall the depreciated value be less than 20% of the replacement cost of that item.

COMMERCIAL TOWING AND ASSISTANCE COVERAGE: **We** will reimburse **you** for the reasonable costs **you** incur resulting from the following services to the **Insured Vessel** or boat trailer covered by this policy if voluntary help is not available and **you** must obtain commercial assistance:

- a. towing to the nearest place where necessary repairs can be made;
- b. delivery of fuel, oil, parts or loaned battery (excluding the cost of these items themselves);
- c. emergency labor at the site of disablement.

The amount **we** reimburse **you** shall not exceed the Commercial Towing and Assistance Amount of Insurance shown on the Declarations Page. The Commercial Towing and Assistance Coverage provided herein shall be excess over all other valid or collectible towing assistance benefits applicable to the **Insured Vessel** or boat trailer. To the extent this provision conflicts with the Other Insurance provision under GENERAL PROVISIONS IN THE EVENT OF LOSS, the language herein shall apply to this Commercial Towing and Assistance Coverage. The Commercial Towing and Assistance Coverage provided herein is not subject to a deductible.

ADDITIONAL PROPERTY COVERAGE:

PROTECTION AGAINST LOSS and SALVAGE: It shall be **your** responsibility to use all lawful and reasonable means to recover or protect the **Insured Vessel** from further loss or damage. **We** will pay the reasonable cost of such protection in addition to any other payments for loss under PART A: PROPERTY DAMAGE COVERAGE of this policy. The amount payable under this provision shall not exceed the amount of insurance applicable to PART A: PROPERTY DAMAGE COVERAGE as shown on the Declarations Page, nor reduce that limit. All coverage provided under this Protection Against Loss and Salvage provision will terminate immediately after payment by **us** of a **Total Loss** or **Constructive Total Loss**. The PART A: PROPERTY DAMAGE COVERAGE DEDUCTIBLE AMOUNT does not apply to Protection Against Loss and Salvage.

OVERLAND TRANSPORT: **We** will provide coverage while **your Insured Vessel** is being transported overland, including loading and unloading, provided the distance from beginning to end of the overland transport is 250 miles or less. Distances greater than 250 miles require **our** prior written permission unless the means of conveyance is a trailer owned by **you**.

UNSCHEDULED DINGHY/TENDER COVERAGE: Subject to the PART A: PROPERTY DAMAGE

COVERAGE EXCLUSIONS, **we** will pay for **Property Damage** to **your** unscheduled **Dinghy/Tender**, provided the overall length shall not exceed 17' in length and the propulsion unit maintains a total maximum **Horsepower** of forty (40) **Horsepower** or less. Covered losses to any unscheduled **Dinghy/Tender** (including propulsion unit) shall be subject to a \$250.00 deductible per **Occurrence**. The most **we** will pay for any unscheduled **Dinghy/Tender** and/or propulsion unit is their actual cash value, which is defined herein as replacement cost less depreciation. Should a covered loss to both the unscheduled **Dinghy/Tender** and the **Insured Vessel** exceed the PART A: PROPERTY DAMAGE COVERAGE DEDUCTIBLE AMOUNT, the \$250.00 deductible applicable to the unscheduled **Dinghy/Tender** shall not apply.

HURRICANE HAULOUT COVERAGE: If the National Weather Service issues a **Tropical Depression, Tropical Storm or Hurricane** watch or warning for the area where the **Insured Vessel** is located, **we** will share equally (50%) with **you** for the reasonable expenses **you** incur to:

- a. have the **Insured Vessel** hauled out of the water, stored until the watch or warning has ended and then launched in the same general area; or
- b. have the **Insured Vessel** moved to a safe harbor, including any docking or mooring fees.

Expenses for the acquisition of lines, anchors and additional equipment to secure the **Insured Vessel** are not included in this coverage. The most **we** will pay for any one **Tropical Depression, Tropical Storm or Hurricane** is \$1,000 per **Occurrence** and for any one policy period is \$2,000 regardless of the total number of **Tropical Depressions, Tropical Storms or Hurricanes**. The PART A: PROPERTY DAMAGE COVERAGE DEDUCTIBLE AMOUNT does not apply to this coverage.

PART B: LIABILITY COVERAGE

PERILS INSURED AGAINST: **We** will pay sums that a **Covered Person** becomes legally obligated to pay as a result of the ownership, operation or maintenance of the **Insured Vessel** because of:

- a. **Bodily Injury** or loss of life;
- b. **Property Damage**;
- c. **Pollution**;
- d. attempted or actual raising, removal or destruction of the wreck of the **Insured Vessel**;
- e. failure to raise, remove or destroy the wreck of the **Insured Vessel**;
- f. liability to paid crew as defined in the Jones Act or under General Maritime Law.

EXCLUSIONS: **We** do not provide coverage under PART B: LIABILITY COVERAGE for:

- a. liability of other **Covered Persons** to **you** or any **Resident Relative**;
- b. **your** liability to any **Resident Relative**;
- c. liability assumed by a **Covered Person** under any contract or agreement;
- d. fines or other penalties that any government unit requires **you** to pay other than as provided by MARINE ENVIRONMENTAL DAMAGE COVERAGE below;
- e. punitive damages; and
- f. liability arising from the use of motorized vehicles for land conveyance, aircraft, submersible and semi-submersible watercraft.

LIMITS OF LIABILITY: **We** will pay no more than the PART B: LIABILITY COVERAGE AMOUNT OF INSURANCE shown on the Declarations Page arising out of any one (1) **Occurrence**, regardless of the number of **Covered Persons** involved, claims made or suits brought; or persons or organizations making claims or bringing suits.

In addition, with respect to **Pollution**, **we** will pay up to the amount necessary to satisfy **your** statutory limit (with respect to pollution liability) as specified in the Oil Pollution Act of 1990 (and any subsequent amendments). This is in addition to the PART B: LIABILITY COVERAGE AMOUNT OF INSURANCE. However, nothing herein shall serve as or otherwise certify that this policy is evidence of the maintenance of any financial guarantee or obligation required by law, statute or otherwise.

OPERATING OTHER VESSELS: The PART B: LIABILITY COVERAGE AMOUNT OF INSURANCE includes operating another vessel with the permission of its owner. If there is any other insurance against a loss covered by this provision, **we** will provide coverage only as excess over such other insurance. To the extent this provision conflicts with the Other Insurance provision under GENERAL PROVISIONS IN THE EVENT OF LOSS, the language herein shall apply to this Operating Other Vessels clause. **We** do not provide any coverage while **you** operate other vessels if:

- a. the vessel is owned wholly or in part by **you**; or
- b. the vessel is being used for purposes other than private pleasure use; or
- c. the vessel is furnished for **your** regular use; or
- d. the vessel length exceeds that of the **Insured Vessel** by at least ten (10) feet; or
- e. the vessel is designed for, or capable of, speeds in excess of seventy (70) miles per hour; or
- f. the vessel is a **Personal Watercraft**, excepting **Personal Watercraft** scheduled to this policy by endorsement.

MARINA AS ADDITIONAL INSURED: The yacht club, marina or other similar facility where the **Insured Vessel(s)** is kept is added as an additional insured on this policy, but only as their interest may appear in the **Insured Vessel** and for the liability arising out of the negligence of the **Named Insured**, as defined in the policy. The additional insured is named as such for the purpose of **Bodily Injury** and **Property Damage** liability in connection with the **Named Insured's** ownership, maintenance and operation of the **Insured Vessel** covered by this policy.

MARINE ENVIRONMENTAL DAMAGE COVERAGE: We will pay up to \$10,000 per **Occurrence** for those fines or other penalties levied or assessed by a governmental unit, resulting from physical injury, alteration or destruction of coastal or marine habitat arising from physical contact with the **Insured Vessel**. Any payment hereunder shall be in addition to the PART B: LIABILITY COVERAGE AMOUNT OF INSURANCE.

SEARCH & RESCUE / EMERGENCY SERVICES COVERAGE: We will pay up to \$10,000 per **Occurrence** for the reasonable expenses **you** incur from a governmental unit for any search and rescue operation in the event any person is lost at sea from the **Insured Vessel** and for emergency aid or assistance to the **Insured Vessel**. Any payment hereunder shall be in addition to the PART B: LIABILITY COVERAGE AMOUNT OF INSURANCE.

PART C: MEDICAL PAYMENTS COVERAGE

PERILS INSURED AGAINST: We will pay for reasonable medical, ambulance, hospital, professional nursing and funeral costs that become necessary due to **Bodily Injury** to persons injured while in, upon, boarding, leaving or towed behind the **Insured Vessel**. We will pay only for those costs incurred within three (3) years of the date of the **Occurrence** giving rise to coverage hereunder.

EXCLUSIONS: We do not provide coverage under PART C: MEDICAL PAYMENTS COVERAGE for:

- a. employee(s) of a **Covered Person** who is injured while in the course of employment or while using, maintaining or repairing the **Insured Vessel**;
- b. any obligation or payment assumed by a **Covered Person** under contract or agreement;
- c. anyone who is injured while the **Insured Vessel** is being conveyed, however coverage is afforded while the **Insured Vessel** is being hauled or launched via a trailer owned by **you**.
- d. anyone to or for whom benefits are payable under any state or federal remedy, law, statute or compensation law or act.

LOSS SETTLEMENT: We will pay no more than the Amount of Insurance shown for PART C: MEDICAL PAYMENTS COVERAGE on the Declarations Page for all covered costs of each person injured as a result of any **Occurrence**.

MEDICAL PAYMENTS PROOF-OF-LOSS: A written, sworn proof-of-loss must be filed with **us** by any person seeking payment by **us** under PART C: MEDICAL PAYMENTS COVERAGE, or by someone on their behalf. This proof-of-loss must include:

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

This proof-of-loss must be filed:

- a. as soon as reasonably possible after completion of services;
- b. as soon as reasonably possible after the cost of services being provided equals or exceeds the amount of **our** liability under PART C: MEDICAL PAYMENTS COVERAGE on the Declarations Page;
- c. within one (1) year of the date of the **Occurrence**;

whichever of the above occurs first.

ADDITIONAL REQUIREMENTS: Each person seeking payment by **us** under PART C: MEDICAL PAYMENTS COVERAGE must:

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

ADMISSION OF LIABILITY: Any payment made under PART C: MEDICAL PAYMENTS COVERAGE is not an admission of liability by a **Covered Person** or **us**.

PART D: UNINSURED BOATER COVERAGE

PERILS INSURED AGAINST: We will pay for **Bodily Injury** received on board the **Insured Vessel**, which a **Covered Person** is legally entitled to recover from an **Uninsured Boater and Uninsured Owner-Operator**.

EXCLUSIONS: We do not provide coverage under PART D: UNINSURED BOATER COVERAGE:

- a. for claims settled without **our** written consent;
- b. if the uninsured vessel is owned by a government agency or unit;

- c. for vessels owned by **you** or furnished for **your** regular use, or the use of a **Resident Relative** or any **Covered Person**;
- d. where no evidence of physical contact exists between the **Insured Vessel** and an uninsured or unidentified vessel.

LOSS SETTLEMENT: The amount shown for PART D: UNINSURED BOATER COVERAGE on the Declarations Page is the most **we** will pay under PART D, regardless of the number of **Covered Persons**, claims made or vessels involved in any **Occurrence**. This coverage will not apply directly or indirectly to the benefit of any **Covered Person** under any state or federal compensation law or act. Payment made for this coverage to or for a **Covered Person** will reduce the amount that person is entitled to recover from the PART B: LIABILITY COVERAGE and PART C: MEDICAL PAYMENTS COVERAGE of this policy.

PART E: FEDERAL LONGSHORE & HARBOR WORKERS' COMPENSATION INSURANCE

When insurance is provided under PART B: LIABILITY COVERAGE, **we** will also provide coverage under this part. **We** will provide coverage for liability arising from an **Occurrence** which **you**, as owner of the **Insured Vessel**, incur because of an obligation under §904 of The Longshore & Harbor Workers' Compensation Act, 33 U.S.C. §§901-950, as amended.

PART F: VESSEL TRAILER COVERAGE

PERILS INSURED AGAINST: **We** will pay for **Property Damage** to any trailer listed on the Declarations Page arising from an **Occurrence**, except as excluded in this policy or by endorsement.

EXCLUSIONS: **We** do not provide coverage under PART F: VESSEL TRAILER COVERAGE for any loss or resulting damage from:

- a. wear and tear, gradual deterioration, weathering, neglect, lack of reasonable care or due diligence in the maintenance of the trailer listed on the Declarations Page;
- b. marring, scratching or denting;
- c. manufacturing defects or a manufacturer's defects in design;
- d. a **Latent Defect**; however, resulting damage caused by a **Latent Defect** is covered;
- e. corrosion.

DEDUCTIBLE AMOUNT: **We** will adjust each claim separately for a covered loss for PART F: VESSEL TRAILER COVERAGE. The Deductible Amount shown on the Declarations Page will be deducted from the claim payment. For deductible purposes, **we** will treat two (2) or more covered losses resulting from the same **Occurrence** as one (1) claim.

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

- a. the cost to repair; or
- b. the cost of replacement subject to depreciation; or
- c. the PART F: VESSEL TRAILER COVERAGE AMOUNT OF INSURANCE as shown on the Declarations Page.

From the replacement cost of tires **we** will deduct 20% for each year or part of a year of age.

PART G: PERSONAL PROPERTY COVERAGE

PERILS INSURED AGAINST: **We** will provide coverage for direct physical loss or damage to **your Personal Property**, arising from an **Occurrence**, except as specifically excluded in this policy.

EXCLUSIONS: **We** do not provide coverage under PART G: PERSONAL PROPERTY COVERAGE against loss or resulting damage from:

- a. wear and tear, mechanical breakdown, gradual deterioration, weathering, insects, mold, animals, marine life, ice, freezing or extremes of temperature;
- b. marring, scratching or denting;
- c. osmosis, blistering, corrosion, except electrolytic (stray current) corrosion; or
- d. manufacturing defects or manufacturer's defects in design.

MYSTERIOUS DISAPPEARANCE AND/OR THEFT: Any coverage provided under PART G: PERSONAL PROPERTY COVERAGE shall not apply to the mysterious disappearance and/or theft of any covered **Personal Property**, unless said **Personal Property** is locked in a secure place and;

- a. there is documented and visible evidence of forcible entry into the cabin of the **Insured Vessel**; or
- b. there is documented and visible evidence of the forcible removal of covered **Personal Property** from the **Insured Vessel**; or
- c. there is a theft of the entire **Insured Vessel**.

DEDUCTIBLE AMOUNT: We will adjust each claim separately for a covered loss to **your Personal Property**. The Deductible Amount shown on the Declarations Page will be deducted from the claim payment. For deductible purposes, we will treat two (2) or more covered losses resulting from the same **Occurrence** as one (1) claim.

LOSS SETTLEMENT: In the event of loss or damage to **your Personal Property**, we will pay the lowest of the following amounts:

- a. the cost to repair;
- b. the cost of replacement subject to depreciation; or
- c. the PART G: PERSONAL PROPERTY COVERAGE AMOUNT OF INSURANCE as shown on the Declarations Page.

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

GENERAL CONDITIONS AND EXCLUSIONS

BOAT SHOW AND DEMONSTRATION: We provide coverage when the **Insured Vessel** is exhibited at a boat show or when the **Insured Vessel** is being navigated by a **Covered Person** for demonstration purposes.

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

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

CHOICE OF LAW / CONFORMITY TO STATE LAW: This Policy shall be construed in accordance with the General Maritime Law or Admiralty Rule. If no General Maritime Law or Admiralty Rule applies, the law of the State appearing in **your** address as contained upon the Declarations Page will apply without regard to the conflict of laws provisions thereof. Any provision of this Policy that would be invalid under applicable law shall be amended to the extent necessary for such provision to be in conformance with such law.

POLICY PERIOD: This policy applies only in the event of an **Occurrence** which takes place during the Policy Period as shown on the Declarations Page.

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

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

RETURN PREMIUMS: If this policy is cancelled, **you** may be entitled to a premium refund. Return premiums will be computed on a pro-rata basis. Any return premium will be paid to **you** as soon as possible after the cancellation. No premiums will be returned to **you** if we have paid **you** for a **Total Loss** or **Constructive Total Loss**.

ASSISTING OTHERS IN DISTRESS: We will provide coverage while **you** are attempting to aid other non-owned vessels in distress, provided there is no consideration for **your** services.

TOWING EXCLUSION:

- a. We do not provide coverage for loss or damage resulting from the **Insured Vessel** as shown on the Declarations Page towing any other vessel, excepting:
 - i. a **Dinghy/Tender** owned by **you**;
 - ii. non-owned vessels in distress or unintentionally disabled, provided there is no consideration for **your** services;
 - iii. the **Insured Vessel** towing another vessel owned by **you** while navigating inland waters, rivers or the Great Lakes, subject to the Navigation Warranty attached to this policy.
- b. We do not provide coverage for loss or damage to the **Insured Vessel** while it is being towed, excepting:
 - i. when the purpose of such a tow is an attempt to aid the **Insured Vessel** while it is in distress or unintentionally disabled;
 - ii. when another vessel owned by **you** is towing the **Insured Vessel** while navigating inland waters, rivers or the Great Lakes, subject to the Navigation Warranty attached to this policy.

PRIVATE PLEASURE USE ONLY: This policy only provides coverage while the **Insured Vessel** is used for private pleasure purposes. However, this limitation on use does not apply while **you** are operating or using the **Insured Vessel** to entertain business associates or clients or other similar types of use wherein no monetary or other directly related remuneration is received by **you** in relation to operation or use of the **Insured Vessel**.

LIMITS ON USE: Unless **we** have provided **you** with prior written authorization to deviate from the navigation limit stated on the Declarations Page, no coverage exists under this policy for any claim, suit, loss, damage, expense, liability or **Occurrence** where the **Insured Vessel** is navigated, afloat, operated, used, stored, ashore, on land, in transit, transported or otherwise located outside the navigation limit specified on the Declarations Page. However, if the Navigation Warranty included in this policy, or the **Lay-Up Warranty** shown on the Declarations Page, is breached due to matters beyond **your** or a **Covered Person's** control, the policy will remain in effect, but only if **you** give **us** written notice of the breach within ten (10) days after the breach and pay any additional premiums due for this extension of coverage.

LAY-UP WARRANTY: It is expressly warranted by **you** that the **Insured Vessel** will be in **Lay-up** and out of commission for the period of time shown on the Declarations Page. During the **Lay-up** period, the **Insured Vessel** must be maintained for the conditions reasonably expected during such period. In addition, the **Insured Vessel** shall not be used or operated for any boating related activities or as living quarters during the **Lay-up** period.

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

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

TERRORISM EXCLUSION: **We** do not provide coverage for any loss, damage or expense from a certified act of terrorism. For the purpose of this clause, "certified act of terrorism" is defined as any act of terrorism as defined in the U.S. Federal Terrorism Risk Insurance Act of 2002, as amended by the Terrorism Risk Insurance Program Reauthorization Act of 2007 and its amendments.

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

DISHONEST, ILLEGAL OR INTENTIONAL ACTS: **We** do not pay for loss or damage caused by the dishonest, illegal or intentional acts of any **Covered Person**, or any person to whom the **Insured Vessel** is entrusted, regardless of whether or not such person is convicted of such an act by a criminal court.

NO BENEFIT TO OTHERS: No person or organization, which has custody of the **Insured Vessel** and is to be paid for services, will benefit from this insurance.

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

GENERAL PROVISIONS IN THE EVENT OF LOSS

ASSISTANCE AND COOPERATION: Any **Covered Person** making a claim must:

- a. cooperate with **us** in the investigation, settlement or defense of any claim or suit under this policy;
- b. assist **us** in the enforcement of any right of contribution or indemnity against any person or organization which may be liable to any **Covered Person**;
- c. allow **us** to inspect and appraise all damaged property, not stolen or otherwise unrecoverable, before it is repaired or disposed of;
- d. submit to examinations under oath as often as requested by **us**.
- e. sign a written authorization permitting **us** to obtain medical files and other pertinent records;
- f. submit at **our** expense and as often as **we** reasonably require, to physical examinations by physicians **we** select and at the time and place **we** select;
- g. 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
- h. not incur any expenses that **we** may be liable for without first obtaining **our** written consent; the only expenses that may be incurred without obtaining **our** written consent are those covered under PART C: MEDICAL PAYMENTS COVERAGE of this policy, or as described in PART A: PROPERTY DAMAGE COVERAGE in the Protection Against Loss and Salvage section.

CLAIM OR SUIT AGAINST A COVERED PERSON: If a claim is made or suit is brought against a **Covered 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 have the option of naming attorneys to represent the **Covered Person**. Payments by **us** for the cost of legal defense of the **Covered Person** will be in addition to payments **we** make under PART B: LIABILITY COVERAGE. This coverage does not increase **our** per **Occurrence** limit of liability and **we** will pay no more than the AMOUNT OF INSURANCE shown on the Declarations Page under PART B: LIABILITY COVERAGE. Once the PART B: LIABILITY COVERAGE AMOUNT OF INSURANCE has been exhausted by payment for liability by **us**, **we** shall no longer pay defense costs for any claim or suit against a **Covered Person**.

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

- a. with respect to any claim or loss to the **Insured Vessel**, 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 (1) year of the date of judgment or written agreement;
- c. no one shall have any right to join **us** as a party to any action against a **Covered Person**;
- d. if any time limitations of this policy are prohibited or invalid under applicable law, then legal action against **us** must commence within the shortest limitation of time permitted by applicable law.

ARBITRATION: Any controversy or claim, whether based on contract, tort, statute or other legal or equitable theory (including but not limited to any claim of fraud, misrepresentation or fraudulent inducement, arising out of or related to this policy, the interpretation, enforcement, or breach thereof, or the handling of any claim involving this policy), shall be referred to and settled by arbitration in accordance with the then current CPR Institute for Dispute Resolution Rules for Non-Administered Arbitration and this provision. The arbitration shall be governed by the Convention on the Recognition and Enforcement of Foreign Arbitral Awards, implemented at 9 U.S.C. §§ 201-208, or if said Convention shall be held not to be applicable, by the United States Arbitration Act, 9 U.S.C. §§ 1-16, to the exclusion of any provision of state or other law inconsistent therewith or which would produce a different result, and judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction. The arbitration shall be held in the State appearing in **your** address as contained upon the Declarations Page and in accordance with the following procedure:

- a. **You** and **we** will agree on a single arbitrator to decide the dispute, whose fee will be paid fifty percent (50%) by **you** and **us**;
- b. If **you** and **we** are unable to agree on a single arbitrator, **you** and **we** will each appoint an arbitrator and those two (2) arbitrators will appoint a third arbitrator. The three (3) arbitrators will decide the dispute by a majority vote. **You** will pay the fee of the arbitrator that **you** appoint. **We** will pay the fee of the arbitrator that **we** appoint. **You** and **we** will each pay fifty percent (50%) of the fee charged by the third arbitrator.
- c. **You** and **we** will each pay fifty percent (50%) of the fee charged by the American Arbitration Association to coordinate the arbitration.
- d. The request for arbitration must be filed within one (1) year of the date of loss or damage; and
- e. **We** may arbitrate the amount of **your** loss or damage without waiving **our** right to determine coverage or a lack of coverage for the loss.

NOTICE OF LOSS: **You** must report in writing to **us**, or **our** authorized agent, as soon as possible after an **Occurrence** 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, vandalized or there is a mysterious disappearance. If **you** do not provide the notice to **us** as required by this section as soon as possible, any claim under this policy will be voided.

PROOF-OF-LOSS: **You** must file with **us** or **our** authorized agent, as soon as possible after **our** written request, a detailed proof-of-loss signed and sworn to by **you** setting forth to the best of **your** knowledge, the facts of the loss. See PART C: MEDICAL PAYMENTS COVERAGE for special proof-of-loss requirements for medical payments claims.

PAYMENT OF LOSS: **We** will pay for any claim of covered **Property Damage** or damage to **Personal Property** **you** incur under this policy to the **Named Insured** and any loss payee, as shown on the Declarations Page, within thirty (30) days after:

- a. receiving a signed sworn proof of loss statement or masters protest, receiving a release of liability; and
- b. proof of **your** interest in the **Insured Vessel** is given to **us**; and
- c. reaching an agreement with **you**; or
- d. the entry of final judgment; or
- e. the filing of an arbitration award with **us**.

However:

- a. **we** will not pay a loss that has been paid by others;
- b. should a covered loss to the **Insured Vessel** result in a **Total Loss** or **Constructive Total Loss**, the policy premium shall be paid in full prior to the final claim payment; and
- c. the loss payee's rights are no greater than those of the **Named Insured** under this contract.

OUR RIGHT TO RECOVER: If any person or organization to or for whom **we** make payment under this policy has rights to recover damages from another, those rights are transferred to **us**. That person or organization must do everything necessary to secure **our** rights and must do nothing to impair them. Any recovery made by **us** shall be first applied up to the amount **we** paid and then the remainder, if any, to **you** and **we** shall be entitled to said payment, recovery, reimbursement or subrogation regardless of whether the total amount of the recovery received by **you** on account of an **Occurrence** covered by this policy is less than the actual loss or damage sustained by **you**.

We will not waive **our** rights to recover against any person or entity for their liability for any loss to the **Insured Vessel** except a yacht club, marina or similar facility for the purpose of storage or slip rental which requires waiver of subrogation by written contract entered into by **you** prior to the date of an **Occurrence** but only to the extent of said waiver.

RIGHT TO SALVAGE: If **we** make payment for **Property Damage** under this policy under PARTS A; PROPERTY DAMAGE COVERAGE, PART F: VESSEL TRAILER COVERAGE or PART G: PERSONAL PROPERTY COVERAGE, **we** may, but are not obligated to, take possession of the remains or proceeds of the damaged property. If **we** take possession of the damaged property, **you** agree to transfer title of that property to **us** or any persons or party designated by **us** prior to payment of loss.

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.

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

TRADE OR ECONOMIC SANCTIONS: This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit **us** from providing insurance, including, but not limited to, the payment of claims. All other terms and conditions of the policy remain unchanged.

SIGNATURES

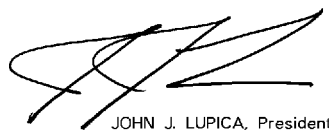
The only signatures applicable to this policy are those representing the company named on the Declarations Page.



GEORGE D. MULLIGAN, Secretary

Insurance Company of North America
Philadelphia, Pennsylvania

Indemnity Insurance Company of North America
Philadelphia, Pennsylvania



JOHN J. LUPICA, President

ACE American Insurance Company
Philadelphia, Pennsylvania

ACE Fire Underwriters Insurance Company
Philadelphia, Pennsylvania

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

