



CHARTER VESSEL POLICY



Swiss Re
Corporate Solutions

Replacement Cost means the cost to replace **covered** property with new of the same like, kind and quality. In the event of obsolescence of the property, replacement will include items of similar nature to fulfil similar functions as the lost or damaged **Equipment**.

Secured Location or Storage Facility means any enclosed place that can be locked where property can be stored, to include but not limited to a home, vehicle, or rented storage garage.

Sports Equipment means jet skis, wave runners, and personal watercraft. It also includes water skis and any other items designed for towing people behind the **Insured Vessel**.

Tender means a small auxiliary vessel, including any dedicated propulsion **Equipment**, owned by you that is used to transport goods or people to and from your vessel. **Tenders** must be used in conjunction with and be capable of being carried aboard your vessel. **Tenders** do not include personal watercraft unless specifically scheduled in this policy.

Uninsured Boater or Underinsured Boater means any owner or operator of a vessel, other than the **Insured Vessel(s)** and **Tender(s)** named in this policy, who is legally responsible for an **Accident** and:

- a. Has no applicable liability insurance policy or bond at the time of **Accident**;
- b. For whom the sum of the limits of liability on an insurance policy or the bond is not enough to pay the full amounts the injured person is legally entitled to recover as damages; or
- c. Who cannot be identified.

Vessel and Machinery Age are determined by subtracting the original year of manufacture from the current year.

Warranty means an agreement in the policy or provided by law that must be strictly and literally complied with. A breach of a **Warranty** voids the insurance contract during the term of such a breach.

PART A: PHYSICAL DAMAGE COVERAGE

We will provide coverage for accidental, direct, physical loss or damage from a covered **Occurrence** to the **Insured Vessel**, its **Equipment** and **Tender(s)** as well as salvage charges, except as specifically excluded or limited in this policy.

EXCLUSIONS

We will not pay for loss, damage or expense under **PART A: PHYSICAL DAMAGE COVERAGE** caused by or resulting from:

- a. Wear and tear, deterioration, weathering, mold, dry rot, oxidation, electrolytic action, corrosion of all forms, marring, scratching, denting, chipping, blistering, delamination;
- b. Debonding, deflection, warpage or shrinkage, water damage and intrusion to laminate, core materials, stringers, bulkheads or other structural components regardless of whether such damage was the result of defective design, construction or material;
- c. Insects, animals, vermin or marine life; however, we will cover immediate consequential **Property Damage** resulting from any subsequent fire, explosion, sinking, dismasting, collision or stranding;
- d. Damage caused by freezing, ice or extremes of temperature;

- e. **Latent Defect(s)**, manufacturer's defects or defects in the design or construction of the **Insured Vessel** or any component thereof. For the purposes of this exclusion, the hull, deck and superstructure of the vessel will be considered one indivisible part. Similarly, the mast, rigging and related components of a sailboat would be considered one indivisible unit.
- f. Mechanical Breakdown unless directly caused by collision, allision or **Latent Defect**; however this coverage will not apply to the latently defective part, coverage for which would be excluded.

PROPERTY EXCLUDED FROM NAMED STORM EVENT

We will not pay for loss, damage or expense to the following property, which is the result of a **Named Storm**:

- a. Exterior canvas and coverings including, but not limited to, exterior cushions, bimini tops, deck enclosures, curtains, sails, dodgers and all framing,

EQUIPMENT STORED ASHORE

We will provide coverage for all insured property removed temporarily from your vessel for storage on shore. The amount of insurance on the vessel will be reduced by the amount covered on shore. However, this coverage is limited to 50% of the amount of the **PART A: PHYSICAL DAMAGE COVERAGE** Limit shown on the Declaration Page of this policy. The coverage provided herein does not insure the mysterious disappearance and/or theft of any covered property unless:

- a. There is visible evidence of forcible entry into the **Secured Location or Storage Facility**; or
- b. There is visible evidence of forcible removal of covered property from the **Secured Location or Storage Facility**.

DEDUCTIBLE AMOUNT

- a. We will adjust each claim separately for a covered loss to your **Insured Vessel**; the amount of each adjusted claim will be automatically reduced by the **PART A: PHYSICAL DAMAGE COVERAGE** deductible amount shown on the Declarations page. In the case of multiple coverage's, the highest deductible will apply to any one **Occurrence**. In the event of a total loss or a constructive total loss, unless caused by a **Named Storm**, no deductible shall apply under this section and the claim shall be payable in full. In the event of a covered loss to your **Tender** only, the amount of each adjusted claim will be reduced by a deductible amount of \$500 any one **Occurrence**.
- b. In the event of a covered loss to only the electronic navigation and communication **Equipment**, it is agreed that a \$500 deductible shall apply to each **Occurrence** and is applicable to all losses; partial, as well as total or constructive total losses of the electronic navigation and communication **Equipment**. Should a covered loss to both the electronic navigation and communication **Equipment** and the **Insured Vessel** exceed the Physical Damage deductible amount shown on the Declarations Page, the deductible shown in this clause shall not apply.

TOTAL LOSS

With respect to the **Insured Vessel**, we will pay the **Agreed Value** shown on the policy's Declarations Page less any applicable deductible in the event of a total loss resulting from an insured peril.

We will pay for a total loss to your **Insured Vessel** only if:

- a. The **Insured Vessel** is completely lost or destroyed; or
- b. The cost of recovering and/or repairing the **Insured Vessel** is greater than the **Agreed Value** shown on the Declarations Page.

If we pay for a total loss this policy will terminate, and the annual premium is 100% earned, which means we will not return any premium under this policy. In the event we insured multiple vessels under this policy, coverage only terminates for the vessel deemed a total loss or constructive total loss. We will reduce any payment for total loss of the watercraft by the value of any uncollected premium due.

PARTIAL LOSS

We will pay the full cost to repair or replace your insured property lost or damaged as a result of a covered peril, with no deduction for depreciation except as specified in the **DEPRECIATION CLAUSE** and other exceptions indicated below.

- a. All repairs will be made in accordance with the manufacturer's specifications or accepted marine practices.
- b. We will have the option to make repairs and replacements, or pay you directly based on an agreed estimate of loss. In no event will we pay for previously repaired or unrepaired damage.
- c. If paint, plywood, plastic, fiberglass, metal or other molded material is damaged, we will only pay the reasonable costs of repairs to the damaged area.
- d. If electronic **Equipment** or other similar personal property is lost or damaged, we reserve the right to repair or replace property with like kind and quality.
- e. The most we will pay for any one item for covered losses to electronic equipment is \$10,000 .

DEPRECIATION CLAUSE

Certain types of covered property are subject to depreciation as shown below:

- a. Batteries, exterior canvas and coverings including, but not limited to, bimini tops, deck enclosures, curtains, sails, and dodgers, fabric, protective covers;
- b. Propulsion machinery including, outboard motors, and outdrives, pods, inboard engines, transmissions and generators. Depreciation does not apply to propellers and/or the propeller shafts.

SALVAGE CHARGES

We will pay for salvage charges you incur arising from a covered loss. Payments for salvage charges will be in addition to any other payments we make for losses covered by this policy. However, the most we will pay for salvage charges is the **PART A: PHYSICAL DAMAGE COVERAGE** Limit shown on the Declarations Page.

The **PART A: PHYSICAL DAMAGE COVERAGE** Deductible Amount applies to this coverage.

SUE AND LABOR

If a loss occurs that is covered under this policy, we will pay the necessary and reasonable costs incurred by you or others working on your behalf in the safeguarding, defense and recovering of your vessel. We will pay up to, but no more than the **PART A: PHYSICAL DAMAGE COVERAGE**

SECTION Limit shown on the Declarations Page. No actions taken, by you or us, in recovering, saving or preserving your vessel shall be considered as a waiver or an acceptance of abandonment.

ADDITIONAL COVERAGES

TOURNAMENT FEE REIMBURSEMENT

We will reimburse you the non-refundable portion of your pre-paid entry fee, if your insured vessel is not able to participate in a scheduled fishing tournament because of a covered loss under PART A - **PHYSICAL DAMAGE COVERAGE** section of this policy.

EMERGENCY TOWING AND ASSISTANCE

If this coverage is indicated on the Declarations Page, we will reimburse you up to the limit shown for the following services to the **Insured Vessel** or trailer if voluntary help is not available and you need commercial assistance. The coverage shall be deemed excess over all other valid and collectible insurance.

- a. Towing to the nearest safe harbor;
- b. Delivery of gas, oil, or loaned battery and emergency labor while away from safe harbor. This will not include the costs of these items or parts;
- c. Boat trailer road repair service.

No deductible will apply to this coverage.

NAMED STORM PRECAUTIONARY EXPENSES

We will pay 50% of the reasonable costs you incur to protect the **Insured Vessel** in the event of a **Named Storm** watch or warning being issued for the location where the vessel is located. Expenses for the purchase of lines, anchors, fuel or additional equipment to secure the **Insured Vessel** is not included in this coverage. The most we will pay for reimbursement of expense is the lesser of 50% of the actual expense you incur or \$10 per foot, based on length overall of the **Insured Vessel** but in no event shall the total amount payable by us exceed \$1,000 per occurrence. If the **Insured Vessel** is hauled, this coverage will not pay for relaunching of the **Insured Vessel** the following season or storage related charges for a typical lay-up period.

No deductible applies to this coverage.

TRANSPORTATION COVERAGE

We provide physical damage coverage for the transport of the **Insured Vessel** with the following limitations;

- a. We provide coverage while the **Insured Vessel** is being transported overland by a contract or common carrier provided the distance is 100 miles or less from pick up location to delivery location. Any contract or common carrier must be licensed and must provide a certificate of insurance covering the **Insured Vessel**. This policy is excess to that insurance coverage. We do not provide coverage when the **Insured Vessel** is transported by a contract or common carrier outside the continental United States.
- b. We provide coverage while the **Insured Vessel** is being towed overland on its trailer, including loading and unloading, provided the combined weight of the **Insured Vessel**, trailer and other **Equipment** do not exceed the weight capacity limits provided by the manufacturer of the tow vehicle.
- c. We do not provide coverage anytime while the **Insured Vessel** is transported as waterborne cargo.

PART B: LIABILITY COVERAGE

If an amount is shown for PART B on the Declarations page, we will pay those sums for which you become legally obligated to pay for **Bodily Injury** or **Property Damage** resulting from an **Occurrence** covered under this policy resulting from:

- a. Your ownership, operation or maintenance of the **Insured Vessel**. attempted or actual raising, removal or destruction of the wreck of your **Insured Vessel**;
- b. Failure to raise, remove or destroy the wreck of your **Insured Vessel**
- c. **Bodily Injury** to passengers of the **Insured Vessel** arising out of the use of docks, gangways, floats or piers, while transiting to and from the **Insured Vessel**.
- d. Your operation of a non-owned replacement boat while the **Insured Vessel** is out of service due to a covered loss under **PART A - PHYSICAL DAMAGE COVERAGE**, provided the replacement boat is similar in size, type and power to the **Insured Vessel** and excluding **Property Damage** to the replacement boat itself.
- e. Your liability to paid crew as defined under the Jones Act, Death of High Seas Act or general Maritime Law. This coverage only applies if one or more crew are shown as covered on the Declarations page under Part B - Protection and Indemnity
- f. Damage to or alteration of marine or coastal habitat, including coral reefs, which is caused by physical contact with the **Insured Vessel**.

EXCLUSIONS

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

- a. Medical expenses or **Bodily Injury** incurred by an owner, stockholder, officer, director, partner, or any other person with an ownership interest, legal or equitable, in the **Insured Vessel**;
- b. Liability assumed by you under any contract or agreement; however the execution of a storage or slip agreement for the **Insured Vessel** that contains hold harmless or indemnification clauses in favor of the storage facility will not constitute a breach of this exclusion.
- c. **Bodily Injury** or **Property Damage** to any person arising from waterskiing, parasailing, or any activity which involves person(s) being towed behind the **Insured Vessel**;
- d. **Bodily Injury** or **Property Damage** to any person arising from swimming, snorkeling, or scuba diving or any person(s), while entering the water, exiting the water, or while in the water; however, this does not apply to an **Occurrence** as the result of man overboard or emergency services to the vessel. In addition, this policy excludes all liability for loss of life, injury to or illness, and **Property Damage**, resulting from or in connection with any sales, rental, lease, service or use of diving **Equipment** of any kind;
- e. Liability while the **Insured Vessel** is being transported over land or while it's hitched to any auto.
- f. Fines, penalties or other costs that any government unit requires you to pay;
- g. Punitive damages, exemplary damages, multiplied damages, or bail;
- h. Any liability for wrongful discharge, defamation, sexual harassment or discrimination of any kind.
- i. **Bodily Injury** or **Property Damage** for which any insured person may be held liable by reason of:
 - i. Causing or contributing to the intoxication of any person;
 - ii. Furnishing alcoholic beverages to a person under the legal drinking age or under the influence of alcohol;
 - iii. Violating any statute, ordinance or regulation relating to the sale, gift,

- distribution or use of alcoholic beverages.
- j. Any loss, claim or defense arising out of:
 - i. The actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of **pollutants**; or
 - ii. Any direction or request to test for, monitor, clean-up, remove, contain, treat, detoxify, or neutralize pollutants or in any way respond to or assess the effects of pollutants.
- k. Any exclusion contained in **PART H: GENERAL EXCLUSIONS**.

LIMITS OF LIABILITY

We will pay no more than the amount of insurance shown on the Declarations Page under **PART B - LIABILITY COVERAGE** for all claims, damages, losses or expenses resulting from any one **Accident or Occurrence** except for claims, damages, losses or expenses covered under PART B- Liability Coverage subsection f, damage to or alteration of marine or coastal habitats, which shall be limited to the lesser of the limit of liability or \$300,000.

ADDITIONAL COVERAGES

DAMAGE TO MARINE ENVIRONMENT - FINES AND PENALTIES

We will pay up to but not exceeding \$25,000 for any governmental fine(s) or penalty(s) incurred by you for any one Accident or Occurrence resulting out of physical damage to, or alteration of, marine or coastal habitat including coral reefs which is caused by physical contact with your **Insured Vessel**.

DEFENSE COSTS

In addition to the Limits of Liability, we will provide a defense at our expense by counsel of our choice for alleged damages, which are within the coverage provided by this policy, even if the “suit” is groundless, false or fraudulent. We may investigate and settle any claim or “suit” that we decide is appropriate. Our duty to settle or defend ends when the amount we pay for “damages” is equal to the Limits of Liability for **PART B: LIABILITY COVERAGE** as stated in the Declaration Page of the policy.

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 accidental **Bodily Injury** to persons injured while in, upon, boarding and/or leaving your **Insured Vessel**.

We will pay only for those costs incurred and submitted to us within one year of the date of **Accident**.

EXCLUSIONS

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

- a. Any responsibility for payment assumed by you under contract or agreement;
- b. Anyone who is injured while waterskiing, parasailing, or any activity which involves person(s) being towed behind the **Insured Vessel**;
- c. Anyone who is injured while swimming, snorkeling, or scuba diving or any person(s), while entering the water, exiting the water, or while in the water; however, this does not apply to an **Occurrence** as the result of man overboard or emergency services to the vessel. In addition, this policy excludes injury to or illness from or in

- connection with any sales, rental, lease, service or use of diving **Equipment** of any kind;
- d. Anyone who is injured while your insured property is being transported over land, hauled out or launched;
 - e. Any employee of yours injured while in the course of employment or while using, maintaining, or repairing your insured property;
 - f. Anyone to or for whom benefits are payable under any state or federal compensation law or act who is not employed by you;
 - g. Anyone, who, while being a trespasser, is injured while in, upon, boarding or leaving the **Insured Vessel**;
 - h. Any exclusion contained in **PART H: GENERAL EXCLUSIONS**.

LIMIT OF LIABILITY

We will pay no more than the **PART C: MEDICAL PAYMENTS COVERAGE** Limit as shown on the Declarations Page for all covered costs of persons injured as a result of any one **Accident** or series of **Accidents** arising from the same event.

REQUIREMENTS

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

- a. Submit to a physical examination by a physician selected by us when and as often as we reasonably require; we will pay for the cost of the examination; 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 this section is not an admission of liability by you or us.

PART D: UNINSURED OR UNDERINSURED BOATER COVERAGE

PERILS INSURED AGAINST

We will pay for the damages, which, because of **Bodily Injury** received aboard the **Insured Vessel**, you are legally entitled to recover from the **Uninsured Boater or Underinsured Boater** of another vessel.

EXCLUSIONS

We do not provide coverage under **PART D: UNINSURED OR UNDERINSURED 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 or furnished for your regular use, or the use of a member of your immediate family or any person insured by this policy;
- d. For an insured using a vessel without permission;
- e. Where no evidence of physical contact exists between your vessel and an unidentified vessel, or where no evidence of physical contact exists between your vessel and an uninsured or underinsured vessel.
- f. Any exclusion contained in **PART H: GENERAL EXCLUSIONS**.

LOSS SETTLEMENT

PART E: VESSEL TRAILER COVERAGE

PERILS INSURED AGAINST

We will provide coverage for all accidental, direct physical loss or damage to any trailer listed on the Declarations Page, but only while located in the United States, Puerto Rico or Canada.

EXCLUSIONS

We do not provide coverage under **PART E: VESSEL TRAILER COVERAGE** against loss or resulting damage from:

- a. Weight of a load exceeding the rated capacity of a trailer.
- b. Any exclusion contained in **PART A: PHYSICAL DAMAGE AND PART H: GENERAL EXCLUSIONS**.

DEDUCTIBLE AMOUNT

We will adjust each claim separately for a covered loss to your insured property. The amount of adjusted claim will be automatically reduced by the **PART E: VESSEL TRAILER COVERAGE** Deductible Amount shown on the Declarations Page. We will treat each covered loss as a separate claim. For deductible purposes, we will treat two or more covered losses resulting from the same **Accident** or **Occurrence** as one claim.

PAYMENT OF LOSS

Payment for losses involving your trailer will be based on the least of the following:

- a. The cost of repairing the trailer with similar like kind and quality replacement items, less depreciation;
- b. **Actual Cash Value** or current market value of the trailer at the time of loss.

If we pay a total loss on the insured trailer, the trailer coverage will be removed effective the date of loss, and the trailer premium is considered 100% earned which means we will not refund any premium paid for trailer coverage. A new trailer may be added for additional premium assuming an active policy is still in place.

PART F: PERSONAL PROPERTY COVERAGE PROPERTY COVERED

We will cover clothing, **Fishing Equipment** and personal effects that belong to you, your crew, your clients or members of your family while these items are on board your vessel or are being loaded or unloaded. We will not cover **Sports Equipment**, firearms, computer hardware and software whether used for navigation or not, money, jewelry, furs, collectibles, china or silver, fine art & photography, photographic **Equipment**, liquor, fax machines, copiers, printers, portable marine electronics, cellular or portable phones, traveler's checks or any other valuable papers or documents.

CAUSES OF LOSS WHICH ARE COVERED

We will cover direct physical loss or damage from any external cause, except as specifically excluded in this policy.

FISHING EQUIPMENT STORED ASHORE

We will cover **Fishing Equipment** temporarily stored ashore while in a storage facility or vehicle. However, the coverage provided herein does not insure the mysterious disappearance and/or theft of any covered **Fishing Equipment**, unless there is visible evidence of forcible entry;

EXCLUSIONS

We will not pay you for loss, damage or expense under **PART F: PERSONAL PROPERTY COVERAGE** caused by or resulting from any exclusion contained in **PART A: PHYSICAL DAMAGE COVERAGE AND PART H: GENERAL EXCLUSIONS**.

DEDUCTIBLE AMOUNT

We will adjust each claim separately for a covered loss to your insured property. The amount of adjusted claim will be automatically reduced by the **PART F: PERSONAL PROPERTY COVERAGE** Deductible Amount shown on the Declarations Page. We will treat each covered loss as a separate claim. For deductible purposes, we will treat two or more covered losses resulting from the same **Accident** or **Occurrence** as one claim.

PAYMENT OF LOSS

Payment for losses involving the Personal Property referenced in **PART F: PERSONAL PROPERTY COVERAGE PROPERTY COVERED** will be based on **Actual Cash Value**.

PART G - FUEL SPILL LIABILITY

We shall pay those amounts you are legally responsible to pay for the containment, clean-up, **property damage**, and assessments arising out of a **fuel spill occurrence** which results from the ownership, maintenance, use, or operation of **Insured Vessel**.

LIMIT OF LIABILITY

The **Fuel Spill Liability** Limit shown on the **declarations** is the most we shall pay under this coverage part, regardless of the number of insureds, **claims** made, or watercraft involved in any one **occurrence** or series of **occurrences** arising out of the same events.

CONDITIONS

To be entitled to coverage under this section **you** must

- a. Report the incident to the appropriate authorities; and
- b. Cooperate with and assist the authorities in any and all containment and clean-up activities.

EXCLUSIONS

We shall not cover any claim or defense arising out of:

- a. **Property damage** to others while the **Insured Vessel** or tender as shown on the **declarations** is being transported on land;
- b. **Property damage** to:
 - i. You;
 - ii. A relative in your household; or
 - iii. Any person for which you or a relative in your household are the legal guardian;
- c. Any **personal injury**;
- d. Any **bodily injury**;
- e. Wages of the captain or crew members; or
- f. Punitive, exemplary, multiplied damages, or bail.

PART H: GENERAL EXCLUSIONS

Applicable to all PARTS of this policy.

We will not pay for loss, damage, expense, claim, liability, **Bodily Injury** or **Property Damage** caused directly or indirectly by any of the following. Such loss or damage is excluded regardless

of any other cause or event that contributes concurrently or in any sequence to the loss, damage, expense, claim, liability, **Bodily Injury** or **Property Damage**.

AIRCRAFT

Ownership, maintenance, use, loading or unloading, transporting or towing of any aircraft.

CAPTURE, SEIZURE, AND ARREST

Capture, seizure, arrest, restraint, detainment, confiscation, nationalization, requisition or destruction of or damage to property by the government of the United States or under the order of any government or public or local authority of the country in which your yacht is registered, located, or owned.

CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC

An actual or threatened act involving a chemical, biological, bio-chemical or electromagnetic weapon, device, agent or material when used in an intentionally hostile manner.

CONCEALMENT, MISREPRESENTATION OR FRAUD

All coverage provided by us will be voided from the beginning of the policy period if you intentionally conceal or misrepresent any material fact or circumstance relating to this contract of insurance, or the application for such insurance, whether before or after a loss.

CYBER ATTACKS

- a. Any computer, computer system, software program, virus or process, or any other electronic system, as a means of infecting harm, or the consequence of any of these, regardless of any other direct or indirect cause of event, whether covered or not contributing in any sequence to the loss or damage; and
- b. Any loss or damage caused by an action taken in hindering or defending against the use or threatened use of the description under **PART H. GENERAL EXCLUSIONS**, Cyber Attacks, a.
- c. Cyber Fraud, including but not limited to the loss of monies or securities.

DISHONEST, ILLEGAL OR INTENTIONAL ACTS EXCLUSION

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 your insured property is entrusted, regardless of whether or not such person is convicted of such an act by a criminal court.

FINES, PENALTIES AND DAMAGES

Fines, penalties and damages imposed on you by any governmental body. Excepted from this exclusion is coverage provided under Marine Environmental Damages - Fines and Penalties under Part B - Protection and Indemnity.

GOVERNMENT ACTION

Seizure or destruction of property we insure under this policy by order of governmental authority.

However, we will pay for loss caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this coverage form.

LOSS-OF-USE EXCLUSION

We do not cover loss resulting from cancellation of charters, non-collectability of freight, bad debts, insolvency of agents or others, or detention or demurrage of the vessels insured by this policy.

NO BENEFITS TO OTHERS

No person or organization, which has custody of your insured property and is to be paid for services, will benefit from this insurance.

NUCLEAR HAZARD

- a. Any weapon employing atomic fusion or fission;
- b. Nuclear or radioactive reaction, radiation, or contamination; or
- c. Chemical, biological, biochemical, or electromagnetic acts, weapons, devices, agents or materials.

PERSONAL INJURY OR ADVERTISING INJURY

Bodily Injury, Property Damage or medical expenses that result from **Personal Injury or Advertising Injury**;

RACING

We will not pay for any loss that occurs while the **Insured Vessel** is being operated in any race or speed test, however, this does not apply to predicted log cruises or sailboat regattas.

RADIOACTIVE CONTAMINATION

- a. Ionizing radiations from or contamination by radioactivity from any nuclear fuel, nuclear waste, or combustion of nuclear fuel,
- b. The radioactive, toxic, explosive, or other hazardous or contaminating properties of any nuclear installation reactor, or other nuclear assembly or nuclear component thereof,
- c. Any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter,
- d. 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.

This insurance is subject to this exclusion clause where the subject matter insured is within the USA, its islands, onshore territories or possessions and a fire that arises directly or indirectly from one or more of the causes detailed in sub-clauses a., b., and d. Any loss or damage arising directly from that fire shall, subject to the provisions of this policy be covered, excluding any loss, damage, expense, claim, liability **Bodily Injury** or **Property Damage** caused by nuclear reaction, nuclear radiation, or radioactive contamination arising directly or indirectly from that fire.

SANCTIONS

No Insurer shall be deemed to provide cover and no Insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that Insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, the United Kingdom, the United States of America or the trade or economic sanctions, laws or regulations of any jurisdiction applicable to that insurer.

STRIKES, LOCKOUTS, DISTURBANCES, RIOTS OR CIVIL COMMOTIONS

Any loss arising from strikes, lockouts, disturbances, riots or civil commotions is excluded.

WAR AND MILITARY ACTION

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

PART I: GENERAL CONDITIONS AND WARRANTIES

Applicable to all PARTS of this policy

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. In no case, shall you have the right to abandon the property insured to us.

APPLICABLE LAW AND JURISDICTION

This policy shall be interpreted in accordance with the provisions of Federal Admiralty Law by a Federal Court of competent jurisdiction.

APPRAISAL OF PROPERTY DISPUTES CLAUSE -

- a. If agreement cannot be reached on the amount of a property loss, the following procedure will be used:
- b. One of us will make a written demand for appraisal;
- c. Each of us will select a competent and impartial appraiser and notify the other of the selection within twenty (20) days of the demand;
- d. The appraisers will select a competent and impartial umpire. If they cannot agree on an umpire within fifteen (15) days either may ask that one be selected by a judge of a court having jurisdiction;
- e. The appraisers will state separately the amount of the loss and the value of the property. If they do not agree, they will submit their appraisals to the umpire. Agreement of two out of the three appraisers will be binding.
You will pay your appraiser and we will pay ours. Other costs of the appraisal, including the cost of the umpire, will be shared equally by you and us. If we submit to an appraisal, we will still retain our right to deny the claim.

ARBITRATION CLAUSE

Any controversy or claim arising out of, or relating to this agreement, or the breach thereof, shall be settled by arbitration in the county of the Named Assured, in accordance with the rules of the American Arbitration Association, as modified herein. Each to appoint their own arbitrator and the arbitrators to appoint the umpire. Judgment upon the award rendered may be entered in any court having jurisdiction thereof.

You will pay your arbitrator and we will pay ours. Other costs of the arbitration, including the cost of the umpire will be shared equally by you and us. In the event that the prevailing party

in any such arbitration is compelled to resort to further legal proceedings to collect upon any arbitration award, all attorney fees actually incurred by the prevailing party in any post-arbitration collection proceeding will be collectible from the non-prevailing party. Both parties waive the right to prosecute any claim, in any proceedings, either legal, equitable or in arbitration, for punitive damages. This arbitration clause applies to everything in this policy except the APPRAISAL OF PROPERTY DISPUTES CLAUSE found in this section.

BANKRUPTCY

Bankruptcy or insolvency of the insured or the insured's estate will not relieve us of our obligations under this policy.

BROADENING COVERAGE

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

CANCELING THE POLICY

You may cancel this policy by returning it to our authorized agent or us or by advising our authorized agent or us in writing stating the future date you want the policy 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 10 days after mailing, the policy will be canceled. 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. We may cancel this policy for non-payment of premium by delivering or mailing to you at your last address shown on our records, written notice stating when, not less than 10 days after mailing, the policy will be canceled. If we cancel the policy for non-payment of premium on your first installment or deposit, the policy shall be void ab initio.

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.

INSURABLE INTEREST

We wrote this policy based on the information provided to us in the application that warrants that you are the registered or documented owner of the **Insured Vessel** described on the Declarations Page. If you are not the registered or documented owner of the **Insured Vessel**, we will not cover any claim or loss under any section of the policy.

LAY-UP WARRANTY

Warranted that the **Insured Vessel** shall be laid up and out of commission as defined in the definitions section of this policy during the dates indicated on the Declarations Page.

- a. If the **Insured Vessel** is trailer-able you may transport overland on its trailer for repair purposes only during the lay-up period;

LICENSED CAPTAIN WARRANTY

Warranted that while the **Insured Vessel(s)** is used for a **Commercial Venture** such as described under the Use of Vessel Warranty, a warranted operator approved by us, duly licensed by the United States Coast Guard, and operating in accordance with all current applicable federal, state, and local laws and regulations, shall be aboard and in charge of the **Insured Vessel** at all times.

LOSS PAYEE

If the loss payee is named on the Declarations Page, we will pay any claim to the loss payee and you as interests appear.

NAVIGATION WARRANTY

Warranted that navigation of the **Insured Vessel** will be confined to the waters stated on the Declarations Page under navigation limits, and in no event shall the vessel be navigated beyond those limits. Any change in navigation limits will require our prior written permission and additional premium may be charged for this coverage extension. If you fail to obtain this written permission, no coverage will apply.

NAVIGATIONAL LIMITS BREACH EXCEPTION

The **Insured Vessel** may intentionally navigate beyond the navigational limits under this policy without both prior notice to us and written approval by us if:

- a. An emergency situation exists; and
- b. The breach of the navigational limits results in actions that reduce the amount of any claim we would pay for under this policy.

OTHER INSURANCE

If any covered person has any other insurance against a **Property Damage** loss covered under this policy, we will not pay for any greater proportion of the loss than our applicable amount of insurance stated on the Declarations Page bears to the total amount of insurance covering the loss. With respect to **PART B: LIABILITY COVERAGE, PART C: MEDICAL PAYMENTS, PART D: UNINSURED OR UNDERINSURED BOATER COVERAGE, and PART F: PERSONAL PROPERTY COVERAGE** losses, any insurance provided by this policy shall be deemed excess over all other valid and collectible insurance.

OUR RIGHT TO RECOVER

- a. If we make a payment under this policy and the person to or for whom payment was made has the right to recover from another for the covered loss, we will be subrogated to that right; that person will do whatever is necessary to enable us to exercise our rights and will do nothing after the loss to prejudice them;
- b. If we make a payment under this policy and the person to or for whom payment is made recovers damages from another, that person will hold the proceeds of the recovery for us and will reimburse us to the extent of our payment.

PASSENGER WARRANTY

Warranted that a maximum of (6) **Passengers** shall be carried on board the **Insured Vessel(s)** in compliance with all United States Coast Guard and/or government regulations.

POLICY PERIOD

This policy applies only in the event of an **Accident** or loss which occurs during the policy period as shown on the Declarations Page.

RETURN PREMIUMS

If this policy is canceled, you may be entitled to a premium refund. If the policy is cancelled, any return premium will be computed on a pro-rata basis. No premiums will be returned to you if we have paid you for a total or constructive total loss of the vessel insured under this policy. Any return premium will be paid to you as soon as possible after the cancellation.

SALVAGE FINANCIAL RECOVERY

If we have made payment under this policy for loss or damage, and if there is salvage or recovery as a result of that loss or damage, we have the right to recover that salvage or recovery to the extent of our payment.

SEAWORTHINESS WARRANTY

Warranted that, at the inception of coverage and throughout the policy term, the vessel shall be in seaworthy condition, the insured shall exercise due diligence to keep the vessel seaworthy, and in all respects fit, tight, and properly manned, equipped and supplied. Failure to comply with this **Warranty** would render this policy null and void and the policy may be cancelled immediately by us.

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 insured property, any suit against us must commence within one year of the date of loss or damage;
- b. With respect to any other claim for loss, no suit may be brought against us until the amount of the covered person's obligation to pay has been determined by final judgments after trial or by written agreement signed by you, us and the claimant; any such legal action against us must commence within one year of the date of judgment or written agreement;
- c. No one shall have any right to join us as a party to any action against a covered person;
- d. If any time limitations of this policy are prohibited or invalid under the law, then legal action against us must commence within the shortest limitation of time permitted by such law.

TERRORISM RISK INSURANCE ACT OF 2002-CERTIFIED ACTS OF TERRORISM CLAUSE

Any liability arising from, or any loss caused directly or indirectly by a certified act of terrorism is included under this policy.

TRANSFER OF INTEREST

This policy will cease in its entirety upon the sale, assignment, transfer or pledge of the insured property or of this contract unless prior written consent has been obtained from us. If you fail to obtain this written permission, no coverage will apply.

USE OF VESSEL

We provide coverage while the **Insured Vessel** is used in a **Commercial Venture**, as defined in this policy. We do not provide coverage for any other commercial purpose. We also provide coverage when the **Insured Vessel** is used by the **Named Insured** for recreational purposes. It is further warranted that the vessel be used in full compliance with all current Coast Guard and local laws and regulations. We will provide coverage when you are attempting to aid other vessels in distress, provided there is no consideration for your services.