



This notice is not your policy. The purpose of this notice is to highlight some of the major features and coverage changes of our new Charter Vessel Policy for when it is time for you to renew your policy. PLEASE READ YOUR CHARTER VESSEL POLICY CAREFULLY to determine your rights, duties, and what is and is not covered. This notice is only a general overview and is not all inclusive. Only the provisions of your policy can establish the scope of your insurance protection.

We are introducing a new Charter Vessel Policy form, which replaces the coverage's contained in the current Charter Vessel Policy form. Any exclusions, general terms and conditions, other provisions including provisions in the event of loss, and definitions which were contained in the prior policy forms will be incorporated into the new Charter Vessel Policy form along with any applicable endorsements.

Material coverage changes, and material changes in the policy's terms and conditions are outlined below, however, please refer to the new policy form for complete details.

### **Coverage's**

- **Insured Vessel now includes newly acquired vessel coverage within its Definition as follows:**

Insured Vessel means:

- a. The vessel(s) shown on the Declarations Page, including its Equipment.
- b. Any vessel or motor that you acquire ownership of during the Policy Period. However;
  - i. You must notify us within thirty (30) days of the time you acquire the vessel or motor;
  - ii. Pay any additional premium required; and
  - iii. The vessel is an acceptable risk to the Company and is to be used for similar activities as the currently Insured Vessel.

Until the value of the watercraft is agreed upon, we will pay no more than the purchase price or Actual Cash Value of the newly acquired vessel or motor, whichever is less.

- **Defense Costs are now paid in addition to our limit of liability as follows:**

#### DEFENSE COSTS

In addition to our limit of liability we will provide a defense at our expense by counsel of our choice for 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 Limit of Insurance for PART B: LIABILITY COVERAGE as stated in the Declaration Page of the policy.

- **Named Storm precautionary expenses are now covered as follows:**

#### 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 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.

- **Under PART B: LIABILITY COVERAGE, Coverage is now provided for:**

Damage to or alteration of marine or coastal habitat, including coral reefs, which is caused by physical contact with the Insured Vessel.

In addition, the following related coverage has been added under 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.

- **EQUIPMENT STORED ASHORE is now covered up to 50% of the Physical Damage Limit (It was previously covered up to 25% on the old form). The clause reads as follows:**

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

## Exclusions

- **With respect to Latent Defect, the following exclusion has been added:**

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

- **With respect to Mechanical Breakdown, the following exclusion has been added:**

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

- **With respect to Pollutants, the following exclusion has been added:**

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

- The actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of pollutants; or
- 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.

## General Provisions In The Event Of Loss

- **A DEPRECIATION CLAUSE has been added as follows:**

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

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