

SERFF Tracking Number: AMAX-125708401 State: Arkansas
Filing Company: American Association of Insurance Services State Tracking Number: EFT \$500
Company Tracking Number: AAIS-2008-26F
TOI: 09.0 Inland Marine Sub-TOI: 09.0006 Other Personal Inland Marine
Product Name: Boatowners
Project Name/Number: CW BT 05 08 Forms - AAIS-2008-26F/AAIS-2008-26F

Filing at a Glance

Company: American Association of Insurance Services

Product Name: Boatowners	SERFF Tr Num: AMAX-125708401	State: Arkansas
TOI: 09.0 Inland Marine	SERFF Status: Closed	State Tr Num: EFT \$500
Sub-TOI: 09.0006 Other Personal Inland Marine	Co Tr Num: AAIS-2008-26F	State Status: Fees verified and received
Filing Type: Form	Co Status:	Reviewer(s): Alexa Grissom, Betty Montesi
	Author: SPI AAIS	Disposition Date: 06/26/2008
	Date Submitted: 06/24/2008	Disposition Status: Approved
Effective Date Requested (New): 12/01/2008		Effective Date (New): 12/01/2008
Effective Date Requested (Renewal):		Effective Date (Renewal):

State Filing Description:

General Information

Project Name: CW BT 05 08 Forms - AAIS-2008-26F	Status of Filing in Domicile: Pending
Project Number: AAIS-2008-26F	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 06/26/2008	
State Status Changed: 06/26/2008	Deemer Date:
Corresponding Filing Tracking Number: AAIS-2008-26LC; AAIS-2008-26R	
Filing Description:	
Re: AAIS-2008-26F	
Boatowners Program	
Form and Endorsements	

On behalf of our affiliated companies, the American Association of Insurance Services (AAIS) is filing changes to the

SERFF Tracking Number: AMAX-125708401 State: Arkansas
Filing Company: American Association of Insurance Services State Tracking Number: EFT \$500
Company Tracking Number: AAIS-2008-26F
TOI: 09.0 Inland Marine Sub-TOI: 09.0006 Other Personal Inland Marine
Product Name: Boatowners
Project Name/Number: CW BT 05 08 Forms - AAIS-2008-26F/AAIS-2008-26F

AAIS Boatowners Program. Our filing consists of new and/or revised coverage forms and endorsements.

The Filing Memorandum provides detailed descriptions of the changes and additions being proposed at this time. Side-by-side comparisons of the current-to-revised countrywide coverage forms and endorsements are included. Copies of all materials are enclosed.

We propose that the filing become effective December 1, 2008. Companies will be advised to take the filing action outlined in the attached company action exhibit.

In a separate companion filing identified as "AAIS-2008-26R" we have submitted new and/or revised manual rules and supplemental rating information.

In a separate companion filing identified as "AAIS-2008-26LC" we have submitted new and/or revised loss costs.

Please be advised that, upon approval, the materials that are the subject of this filing may also be provided to affiliated companies in an electronic format. We will be happy to furnish you the same materials electronically, upon request. Due to differences in printer configurations or other hardware or software differences, the appearance of the materials that are the subject of this filing may be altered slightly when produced by another system. Such alterations will be cosmetic only and will not affect the content of the filed materials.

Company and Contact

Filing Contact Information

Norma Jean Knight, Filings/Compliance normak@aaisonline.com
Specialist
1745 South Naperville Road (630) 681-8347 [Phone]
Wheaton, IL 60187-8132 (630) 681-8356[FAX]

Filing Company Information

American Association of Insurance Services CoCode: 31400 State of Domicile: Delaware
1745 S. Naperville Road Group Code: Company Type:
Wheaton, IL 60187-8132 Group Name: State ID Number:
(630) 681-8347 ext. [Phone] FEIN Number: 36-2021360

SERFF Tracking Number: AMAX-125708401 State: Arkansas
Filing Company: American Association of Insurance Services State Tracking Number: EFT \$500
Company Tracking Number: AAIS-2008-26F
TOI: 09.0 Inland Marine Sub-TOI: 09.0006 Other Personal Inland Marine
Product Name: Boatowners
Project Name/Number: CW BT 05 08 Forms - AAIS-2008-26F/AAIS-2008-26F

Filing Fees

Fee Required? Yes
Fee Amount: \$500.00
Retaliatory? No
Fee Explanation:
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Association of Insurance Services	\$500.00	06/24/2008	21064492

SERFF Tracking Number: AMAX-125708401 State: Arkansas
Filing Company: American Association of Insurance Services State Tracking Number: EFT \$500
Company Tracking Number: AAIS-2008-26F
TOI: 09.0 Inland Marine Sub-TOI: 09.0006 Other Personal Inland Marine
Product Name: Boatowners
Project Name/Number: CW BT 05 08 Forms - AAIS-2008-26F/AAIS-2008-26F

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Alexa Grissom	06/26/2008	06/26/2008

SERFF Tracking Number: *AMAX-125708401* *State:* *Arkansas*
Filing Company: *American Association of Insurance Services* *State Tracking Number:* *EFT \$500*
Company Tracking Number: *AAIS-2008-26F*
TOI: *09.0 Inland Marine* *Sub-TOI:* *09.0006 Other Personal Inland Marine*
Product Name: *Boatowners*
Project Name/Number: *CW BT 05 08 Forms - AAIS-2008-26F/AAIS-2008-26F*

Disposition

Disposition Date: 06/26/2008

Effective Date (New): 12/01/2008

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: AMAX-125708401 State: Arkansas
 Filing Company: American Association of Insurance Services State Tracking Number: EFT \$500
 Company Tracking Number: AAIS-2008-26F
 TOI: 09.0 Inland Marine Sub-TOI: 09.0006 Other Personal Inland Marine
 Product Name: Boatowners
 Project Name/Number: CW BT 05 08 Forms - AAIS-2008-26F/AAIS-2008-26F

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	AR - REG 29 - CERT OF COMPLIANCE	Approved	Yes
Supporting Document	AR - FORM FILING ABSTRACT F-1	Approved	Yes
Supporting Document	BT CW Forms Filing Memo	Approved	Yes
Supporting Document	Exhibit A CW Rev, New, Not Applicable Forms, Endts, and Schedules	Approved	Yes
Supporting Document	AR Exhibit B State Amendatory Endorsements	Approved	Yes
Supporting Document	AAIS BT 0100 05 08 to BT 0100 11 99	Approved	Yes
Supporting Document	AAIS BT 1301 05 08 to BT 0010 12 99	Approved	Yes
Supporting Document	AAIS BT 2000 05 08 to BT 0004 11 99	Approved	Yes
Supporting Document	AAIS BT 2001 05 08 to BT 0009 11 99	Approved	Yes
Supporting Document	AAIS BT 2500 05 08 to BT 0007 11 99	Approved	Yes
Supporting Document	AAIS BT 4800 05 08 to BT 0100 11 99	Approved	Yes
Supporting Document	AAIS BT 6000 05 08 to BT 0006 11 99	Approved	Yes
Supporting Document	AAIS BT 6002 05 08 to BT 0005 11 99	Approved	Yes
Supporting Document	AAIS BT 6500 05 08 to BT 0001 11 99	Approved	Yes
Supporting Document	AAIS BT 6501 05 08 to BT 0002 11 99	Approved	Yes
Supporting Document	AAIS BT 6502 05 08 to BT 0003 11 99	Approved	Yes
Supporting Document	BT 0116 11 99 to BT 0803 05 08 ar mockup	Approved	Yes
Supporting Document	CL 0406 04 04 to BT 0903 05 08 ar mockup	Approved	Yes
Supporting Document	AR Forms Company Action Exhibit	Approved	Yes
Form	Boatowners Special Form	Approved	Yes
Form	Punitive Damage Exclusion	Approved	Yes
Form	Lay-Up Period Limitation	Approved	Yes
Form	Personal Watercraft Exclusion	Approved	Yes
Form	Expanded Emergency Service	Approved	Yes
Form	Personal Effects Coverage	Approved	Yes
Form	Named Storm Deductible	Approved	Yes
Form	Agreed Value Settlement Provision	Approved	Yes

SERFF Tracking Number: AMAX-125708401 State: Arkansas
 Filing Company: American Association of Insurance Services State Tracking Number: EFT \$500
 Company Tracking Number: AAIS-2008-26F
 TOI: 09.0 Inland Marine Sub-TOI: 09.0006 Other Personal Inland Marine
 Product Name: Boatowners
 Project Name/Number: CW BT 05 08 Forms - AAIS-2008-26F/AAIS-2008-26F

Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Boatowners Special Form	BT 0100	05 08	Policy/Cove rage Form	Replaced Form #:50.87 BT 0100 11 99 Previous Filing #:		BT 0100.PDF
Approved	Punitive Damage Exclusion	BT 1301	05 08	Endorseme nt/Amendm ent/Condi tions	Replaced Form #:50.70 BT 0010 11 99 Previous Filing #:		BT 1301.PDF
Approved	Lay-Up Period Limitation	BT 2000	05 08	Endorseme nt/Amendm ent/Condi tions	Replaced Form #:63.71 BT 0004 11 99 Previous Filing #:		BT 2000.PDF
Approved	Personal Watercraft Exclusion	BT 2001	05 08	Endorseme nt/Amendm ent/Condi tions	Replaced Form #:50.67 BT 0009 11 99 Previous Filing #:		BT 2001.PDF
Approved	Expanded Emergency Service	BT 2500	05 08	Endorseme nt/Amendm ent/Condi tions	Replaced Form #:57.97 BT 0007 11 99 Previous Filing #:		BT 2500.PDF
Approved	Personal Effects Coverage	BT 3000	05 08	Endorseme nt/Amendm ent/Condi tions		56.92	BT 3000.PDF
Approved	Named Storm Deductible	BT 4500	05 08	Endorseme nt/Amendm ent/Condi tions		63.86	BT 4500.PDF
Approved	Agreed Value Settlement Provision	BT 4800	05 08	Endorseme nt/Amendm ent/Condi tions		66.19	BT 4800.PDF
Approved	Additional Interests	BT 6000	05 08	Endorseme nt/Amendm	Replaced Form #:50.63 BT 0006 11 99		BT 6000.PDF

SERFF Tracking Number: AMAX-125708401 State: Arkansas
 Filing Company: American Association of Insurance Services State Tracking Number: EFT \$500
 Company Tracking Number: AAIS-2008-26F
 TOI: 09.0 Inland Marine Sub-TOI: 09.0006 Other Personal Inland Marine
 Product Name: Boatowners
 Project Name/Number: CW BT 05 08 Forms - AAIS-2008-26F/AAIS-2008-26F

Approval	Description	Form	Year	Condition	Previous Filing #:	File
Approved	Additional Insured	BT 6001	05 08	Endorsement/Amendment/Conditions	57.79	BT 6001.PDF
Approved	Loss Payee Provision	BT 6002	05 08	Endorsement/Amendment/Conditions	Replaced Form #:57.79 BT 0005 11 99 Previous Filing #:	BT 6002.PDF
Approved	Agreed Value Loss Payee Provision	BT 6003	05 08	Endorsement/Amendment/Conditions	62.07	BT 6003.PDF
Approved	Change Endorsement	BT 6500	05 08	Endorsement/Amendment/Conditions	Replaced Form #:50.37 BT 0001 11 99 Previous Filing #:	BT 6500.PDF
Approved	Installment Premium Payments	BT 6501	05 08	Endorsement/Amendment/Conditions	Replaced Form #:54.57 BT 0002 11 99 Previous Filing #:	BT 6501.PDF
Approved	Renewal Plan	BT 6502	05 08	Endorsement/Amendment/Conditions	Replaced Form #:52.42 BT 0003 11 99 Previous Filing #:	BT 6502.PDF
Approved	Amendatory Endorsement - Arkansas	BT 0803	05 08	Endorsement/Amendment/Conditions	Replaced Form #:52.19 BT 0116 Previous Filing #:	BT 0803.PDF
Approved	Policy Conditions - Arkansas	BT 0903	05 08	Policy/Coverage Form	Replaced Form #:54.25 CL 0406 04 04 Previous Filing #:	BT 0903.PDF

BOATOWNERS SPECIAL FORM

TABLE OF CONTENTS

	Page
Agreement	1
Definitions	2
Property Coverages.....	4
Principal Property Covered.....	4
Property Not Covered.....	4
Additional Property Coverages.....	4
Covered Losses.....	5
Exclusions That Apply To Property Coverages.....	5
Liability Coverages.....	7
Principal Liability Coverages	7
Additional Liability Coverages	7
Exclusions That Apply To Coverage X -- Personal Liability And Coverage Y -- Medical Payments.....	8
Additional Exclusions That Apply Only To Coverage X -- Personal Liability.....	10
Additional Exclusions That Apply Only To Coverage Y -- Medical Payments	11
Uninsured Boater Coverage	11
Exclusions That Apply To Coverage Z -- Uninsured Boater	11
Arbitration -- Coverage Z -- Uninsured Boater	12
What Must Be Done In Case Of Loss.....	13
How Much We Pay	14
Payment Of Loss Or Claim	16
Additional Exclusions And Limitations	17
Other Policy Conditions	17
Conditions That Apply To All Coverages.....	17
Conditions That Apply Only To Property Coverages.....	19
Conditions That Apply Only To Liability Coverages	19

Additional conditions relating to cancellation and nonrenewal also apply. If this form is attached to another policy, cancellation and nonrenewal conditions from the primary policy apply. Otherwise, applicable cancellation and nonrenewal conditions are added by a separate endorsement to this form.

Endorsements and schedules may also be part of this form. They are identified on the "declarations".

Refer to the Definitions for words that have special meanings. These words are shown in quotation marks or bold type.

AGREEMENT

This form, subject to all of its "terms", provides the described coverages during the policy period. In return "you" must pay the required premium. Each coverage described in this form applies only if a "limit" is shown on the "declarations" for that coverage.

DEFINITIONS

1. "You" and "your" mean the person or persons named as the insured on the "declarations". This includes that person's resident spouse.
2. "We", "us", and "our" mean the company providing this insurance.
3. "Actual cash value" means the cost to replace property using materials of like kind and quality, to the extent practical, less a deduction for depreciation.
4. "Boat" means a watercraft, including sails, spars, fittings, and all permanently attached equipment. It does not include outboard motors.
5. "Boating equipment" means:
 - a. portable boating accessories and detachable equipment used in the operation, maintenance, or navigation of a "boat";
 - b. dinghies and their outboard motors used to service "covered property";
 - c. citizen band radios, ship to shore radios, radar systems, sonar, and other transmitting and receiving systems while in or on "covered property", unless permanently attached to the "covered property"; and
 - d. water skis and other water sports equipment intended to be towed by a "boat", including but not limited to, wake boards, knee boards, and tubes.
6. "Boat trailer" means a trailer designed specifically for the transportation of a "boat".
7. "Bodily injury" means bodily harm to a person and includes sickness, disease, or death and any required care.

However, "bodily injury" does not mean bodily harm, sickness, disease, or death that arises out of:

 - a. mental or emotional injury;
 - b. suffering; or
 - c. distress

that does not result from actual physical injury to a person.
8. "Business" means any trade, profession, or occupation including but not limited to:
 - a. selling, chartering, renting, repairing, servicing, storing, mooring, or anchoring "boats"; and
 - b. operation of yacht clubs, shipyards, and marinas.

Entertainment of business clients on "your" "boat" is not considered "business".
9. "Covered property" means the "boats", "motors", and "boat trailers" as described on the "declarations" and property covered under Newly Acquired Property.
10. "Declarations" means all pages labeled Declarations, Supplemental Declarations, or Schedules that pertain to this form.
11. "Insured" means:
 - a. "you";
 - b. "your" relatives if residents of "your" household; or
 - c. persons under the age of 21 years who:
 - 1) reside in "your" household; and
 - 2) are in "your" care or in the care of "your" resident relatives.

- d. With respect to Coverage X -- Personal Liability, and Coverage Y -- Medical Payments, "insured" also means:
- 1) persons using or caring for the "covered property" with "your" permission. This does not include persons using or caring for "covered property" in the course of any "business" or without the owner's consent; or
 - 2) a person or organization legally responsible for the use of "covered property" by a person listed in 11.a., 11.b., or 11.c. above.
- However, "we" will cover that person or organization only with respect to the "covered property". This does not include persons using or caring for "covered property" in the course of any "business".
- e. With respect to Coverage Z -- Uninsured Boater, "insured" means only:
- 1) any person in, upon, or getting in or out of "covered property" or a "non-owned boat". This includes any person being towed on water-skis or similar devices not designed for flight by "covered property" or a "non-owned boat"; or
 - 2) any person who is entitled to recover damages because of "bodily injury" that is covered under Coverage Z -- Uninsured Boater and sustained by a person described in e.1) above but only to the extent of those damages.
12. "Limit" means the amount of insurance that applies for the coverage.
13. "Motor" means an outboard motor and its equipment including:
- a. start up equipment and controls;
 - b. batteries;
 - c. electric harnesses; and
- d. fuel tanks and other pressure control tanks.
14. "Non-owned boat" means a "boat" not over 30 feet in overall length, its "motor", and its "boat trailer" that "you" do not own and that is used by:
- a. "you";
 - b. "your" relatives if residents of "your" household; or
 - c. persons under the age of 21 residing in "your" household and in "your" care or the care of "your" resident relatives.
- A "non-owned boat" does not mean a "boat", "motor", or "boat trailer" that is owned by or furnished for the regular use of an "insured".
15. "Occurrence" means an accident, including repeated exposure to similar conditions, that results in "bodily injury" or "property damage" during the policy period.
16. "Personal watercraft" means any watercraft equipped with a water jet pump propulsion system and designed to be operated by a person or persons while sitting, standing, or kneeling on the watercraft. "Personal watercraft" includes but is not limited to:
- a. jet skis;
 - b. wave runners; and
 - c. similar watercraft.
17. "Pollutants" means:
- a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be disposed of as well as recycled, reclaimed, or reconditioned; and
 - b. electrical, magnetic, or electromagnetic particles or fields, whether visible or invisible, and sound.

18. "Property damage" means:
- a. physical injury to or destruction of tangible property; or
 - b. the loss of use of tangible property whether or not it is physically damaged.
19. "Terms" means all provisions, limitations, exclusions, conditions, "declarations", and definitions that pertain to this form.

PROPERTY COVERAGES

PRINCIPAL PROPERTY COVERED

"We" cover direct physical loss to:

1. "boats";
2. "motors"; and
3. "boat trailers"

described on the "declarations" and for which a "limit" is shown.

PROPERTY NOT COVERED

"We" do not cover property used for or involved in:

1. **Business** -- "We" do not pay for loss or damage to "boats", "motors", "boat trailers", or "boating equipment" while the property is:
 - a. being used in a "business";
 - b. hired out or chartered for the use of others;
 - c. used to transport people or goods for a fee; or
 - d. rented to others.

2. **Racing And Stunt Activity** -- "We" do not pay for loss or damage to "boats", "motors", "boat trailers", or "boating equipment" caused by or resulting from involvement in an organized or impromptu race including, but not limited, to:
 - a. preparation for a race;
 - b. participation in a race; or
 - c. practicing or qualifying for a race.

A race means any competition for speed or endurance whether against another competitor or time.

"We" also do not pay for loss or damage caused by or resulting from involvement in an organized or impromptu contest involving stunts.

This exclusion does not apply to sailboats in an organized or impromptu race.

3. **Residential Use** -- "We" do not pay for loss or damage to "boats", "motors", "boat trailers", or "boating equipment" while the "boat" is used as a primary or permanent residence.

ADDITIONAL PROPERTY COVERAGES

"We" cover the following in addition to the Principal Property Covered.

The "limit" available for each Additional Property Coverage:

- a. is the only "limit" available for the described coverage; and
 - b. is not the sum of the "limit" indicated for an Additional Property Coverage and the "limit" for coverage described under Principal Property Covered.
1. **Boating Equipment**
 - a. **Coverage** -- "We" cover direct physical loss to "boating equipment" owned by "you".

- b. **Limits** -- Unless otherwise shown on the "declarations", the most "we" pay under this coverage is \$2,500 for any loss of or damage to "boating equipment".

However, for loss of or damage to "boating equipment" in, on, or cast overboard from a "personal watercraft" while the "personal watercraft" is in use, the most "we" will pay is \$500 under this coverage.

2. **Newly Acquired Property**

- a. **Coverage** -- "We" cover direct physical loss to "boats" up to 30 feet in length, "motors", and "boat trailers" that "you" acquire during the policy period.
- b. **Time Limitation** -- This coverage applies for 30 days after "you" acquire the "boat", "motor", or "boat trailer" or until "you" report the newly acquired property to "us", whichever occurs first.

This coverage does not extend beyond the end of the policy period.

- c. **Additional Premium** -- "You" must pay any additional premium due from the date "you" acquire the "boat", "motor", or "boat trailer".
- d. **Limit** -- The most "we" pay for newly acquired property is \$25,000.

3. **Emergency Service**

- a. **Coverage** -- "We" will cover the reasonable cost of towing and labor arising out of the disablement of a covered "boat" or "motor".
- b. **We Do Not Cover** -- "We" do not cover the cost of:
- 1) the delivery of batteries, gas or oil;
 - 2) parts or supplies; or
 - 3) changing a "boat trailer" tire.

- c. **Coverage Limitation** -- The labor costs are covered only for labor performed at the place of disablement.

- d. **Limit** -- The most "we" pay for towing and labor is \$500 per incident.

No deductible applies to a loss under this additional coverage.

COVERED LOSSES

We cover direct physical loss or damage to "covered property" and "boating equipment" except as limited or excluded in this form.

EXCLUSIONS THAT APPLY TO PROPERTY COVERAGES

"We" do not pay for a loss or damage to "covered property" or "boating equipment" caused directly or indirectly by any of the following. Such losses are excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded cause.

1. **Animals And Marine Life** -- "We" do not pay for loss caused by or resulting from animals including, but not limited to, birds, vermin, rodents, insects, animals owned or kept by an "insured", or marine life.
2. **Bubbling And Delamination** -- "We" do not pay for loss caused by or resulting from bubbling or delamination of fiberglass or plywood.
3. **Civil Authority** -- "We" do not pay for loss caused by or resulting from the order of any civil authority including:
 - a. seizure or destruction under quarantine or customs regulations;
 - b. risks of contraband or illegal transportation or trade; or
 - c. confiscation or destruction by order of a government or public authority.

"We" do pay for loss which results from acts of a civil authority to prevent the spread of fire.

4. **Contamination Or Deterioration** -- "We" do not pay for loss caused by or resulting from contamination or deterioration including:
 - a. weathering, corrosion, decay, or rust;
 - b. bacteria, fungi, wet rot, or dry rot;
 - c. hidden or latent defect; or
 - d. any quality, fault, or weakness in "covered property" or "boating equipment" that causes it to damage or destroy itself.
5. **Criminal Acts** -- "We" do not pay for loss caused by or resulting from the criminal acts of an "insured" including illicit transportation or trade.
6. **Freezing Or Overheating** -- "We" do not pay for loss caused by or resulting from freezing or overheating including damage due to ice, thawing, or sudden changes in temperature.
7. **Intentional Acts** -- "We" do not pay for loss caused by or resulting from any act committed:
 - a. by an "insured", alone or in collusion with another; or
 - b. at the direction of an "insured"with the intent to cause a loss.

This exclusion applies even with respect to an "insured" who was not involved in the commission or direction of the act that caused the loss.

8. **Maintenance And Repairs** -- "We" do not pay for loss caused by or resulting from a process to repair, adjust, service, or maintain the covered equipment or property.

But if maintenance or repairs results in fire or explosion, "we" do cover the loss or damage caused by that fire or explosion.

9. **Mechanical Breakdown** -- "We" do not pay for loss caused by or resulting from mechanical or electrical breakdown or failure of the property including, but not limited to, rupture or bursting by centrifugal force.

But if mechanical breakdown results in a loss that would otherwise be covered under this form, "we" do cover the resulting loss or damage.

10. **Nuclear Hazard** -- "We" do not pay for loss caused by or resulting from nuclear reaction, radiation, or radioactive contamination whether controlled or uncontrolled; or however caused; or any consequence of such reaction, radiation, or contamination.

Loss caused by nuclear reaction, radiation, or radioactive contamination is not considered loss caused by:

- a. fire;
- b. explosion; or
- c. smoke.

"We" do cover the loss caused by a fire that results from the nuclear hazard.

11. **War Or Military Action** -- "We" do not pay for loss caused by or resulting from:
 - 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.

With respect to any action that comes within the "terms" of this exclusion and involves nuclear reaction, radiation, or radioactive contamination, this exclusion supersedes the exclusion for nuclear hazard.

Discharge of a nuclear weapon is deemed a warlike action even if it is accidental.

12. **Wear And Tear** -- "We" do not pay for loss caused by wear and tear, marring, or scratching.

LIABILITY COVERAGES

PRINCIPAL LIABILITY COVERAGES

1. Coverage X -- Personal Liability

- a. **Coverage** -- "We" pay, up to the "limit" that applies, all sums for which an "insured" is legally liable because of "bodily injury" or "property damage" caused by an "occurrence" arising out of the ownership, maintenance or use of "covered property" or a "non-owned boat".
- b. **Defense Or Settlement Of Suit** -- "We" will settle or defend a claim or suit seeking damages if the claim or suit resulted from "bodily injury" or "property damage" caused by an "occurrence" to which this coverage applies. Such defense will be provided at "our" expense by counsel that "we" choose.

"We" may investigate and settle claims or suits that "we" decide are appropriate. "We" do not have to provide a defense after "we" have paid an amount equal to the "limit" that applies as a result of a judgment or written settlement.

2. Coverage Y -- Medical Payments

- a. **Coverage** -- "We" pay the necessary medical expenses for "bodily injury" arising out of the ownership, maintenance or use of "covered property" or a "non-owned boat".
- b. **Coverage Limitation** -- "We" only pay the necessary medical expenses for "bodily injury" if the expenses are incurred or medically determined within three years from the date of an accident.
- c. **Medical Expenses Means** -- Medical expenses means the reasonable charges for:
- 1) medical care;
 - 2) surgery;
 - 3) X-ray, CAT scan, or MRI;
 - 4) dental care;
 - 5) ambulance services;
 - 6) hospital care;
 - 7) professional nursing services;
 - 8) funeral services;
 - 9) prosthetic devices;
 - 10) hearing aids or eyeglasses, including contact lenses;
 - 11) prescription drugs; and
 - 12) first aid at the time of the accident.

ADDITIONAL LIABILITY COVERAGES

The following Additional Liability coverages are subject to all the "terms" of Coverage X -- Personal Liability and Coverage Y -- Medical Payments.

In addition to the "limit" of liability for Coverage X -- Personal Liability, "we" will pay for the following:

1. **Claims And Defense Cost** -- "We" pay for:
- a. the costs incurred by "us" and the costs taxed to an "insured" in a suit "we" defend;

- b. the premiums on required bonds in a suit "we" defend, but only for bond amounts up to the "limit" that applies. "We" are not required to apply for or furnish bonds;
- c. the necessary costs incurred by an "insured" at "our" request for assisting "us" in the investigation or defense of a claim or suit. This includes up to \$250 per day, per "insured", for the actual loss of earnings, but not loss of other income, for time spent away from work at "our" request;
- d. the interest on the entire judgment that accrues after the entry of the judgment, but ending when "we" tender, pay, or deposit in court that part of the judgment that does not exceed the "limit" that applies; and
- e. prejudgment interest awarded against an "insured" on that part of the judgment "we" pay. If "we" offer to pay the "limit" that applies, "we" will not pay any prejudgment interest based on that period of time after the offer.

2. Removal Of Wrecked Or Sunken Property

- a. **Coverage** -- "We" pay the reasonable cost incurred for the raising, removal, or destruction of "covered property" or a "non-owned boat" caused by its stranding, sinking, or burning, if required of an "insured" by law or governmental authority. This includes the cost of unsuccessful attempts to raise, remove, or destroy this wreckage.
- b. **Limit** -- "We" will not pay more than 25% of the "limit" for Coverage X -- Personal Liability, that applies to the lost or damaged property.

EXCLUSIONS THAT APPLY TO COVERAGE X -- PERSONAL LIABILITY AND COVERAGE Y -- MEDICAL PAYMENTS

The following exclusions apply to Coverage X -- Personal Liability, and Coverage Y -- Medical Payments:

1. **Abuse** -- "We" do not pay for "bodily injury" or "property damage" that arises out of abuse. Abuse includes but is not limited to:
 - a. actual, alleged, or threatened sexual molestation;
 - b. corporal punishment; or
 - c. physical or mental abuse.
2. **Business Pursuits** -- "We" do not pay for "bodily injury" or "property damage" that occurs when the "covered property" or a "non-owned boat" is:
 - a. being used in the course of "business";
 - b. hired out or chartered for the use of others;
 - c. used to transport people or goods for a fee; or
 - d. rented to others.
3. **Communicable Diseases** -- "We" do not pay for "bodily injury" or "property damage" that arises out of the transmission of a communicable disease by an "insured".
4. **Controlled Substances** -- "We" do not pay for "bodily injury" or "property damage" that arises out of the use, sale, manufacture, delivery, transfer, or possession by any person of Controlled Substances as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812, including any amendments. Controlled Substances include but are not limited to cocaine, LSD, marijuana, and all narcotic or hallucinogenic drugs.

However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

5. **Criminal Acts** -- "We" do not pay for "bodily injury" or "property damage" that arises out of the criminal acts of an "insured" including illicit transportation or trade.

6. **Intentional Acts** -- "We" do not pay for "bodily injury" or "property damage" that results from an intentional act of an "insured".

a. "Bodily injury" or "property damage" that results from an intentional act of an "insured" includes, but is not limited to, "bodily injury" and "property damage" that is:

- 1) expected, directed, or intended by an "insured"; or
- 2) the result of an intentional and malicious act by or at the direction of an "insured".

b. The intentional acts exclusion applies even if the "bodily injury" or "property damage":

- 1) that occurs is different than what was expected, directed, or intended by the "insured"; or
- 2) is suffered by persons, entities, or property not expected, directed, or intended by the "insured".

This exclusion does not apply to "bodily injury" or "property damage" that arises out of the use of reasonable force by an "insured" to protect people or property.

7. **Land Transportation** -- "We" do not pay for "bodily injury" or "property damage" while "covered property" or a "non-owned boat" is being transported by a land vehicle or a trailer.

8. **Non-Permissive Users** -- "We" do not pay for "bodily injury" or "property damage" to anyone using "covered property" or a "non-owned boat" without the permission of an "insured".

9. **Nuclear Energy** -- "We" do not pay for "bodily injury" or "property damage" that results directly or indirectly from an "occurrence" for which an "insured" is also an insured under a nuclear energy liability policy or would be an insured but for the exhaustion of its "limits".

A nuclear energy liability policy is a policy issued by American Nuclear Insurers, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or their successors.

10. **Parasailing Or Kite Skiing** -- "We" do not pay for "bodily injury" or "property damage" that occurs while "covered property" or a "non-owned boat" is towing a parasail, kite, hang glider, or a similar device designed for flight.

11. **Pollution Damage** -- "We" do not pay for "bodily injury" or "property damage" that arising out of the actual, alleged, or threatened discharge, dispersal, emission, leaching, seepage, migration, release, spillage or escape of "pollutants" into or upon land, water, or air.

"We" do cover the discharge, dispersal, emission, leaching, seepage, migration, release, spillage or escape of "pollutants" if it is sudden and accidental.

12. **Professional Services** -- "We" do not pay for "bodily injury" or "property damage" that arises out of the rendering of or the failure to render a professional service.

13. **Racing Or Speed Tests** -- "We" do not pay for "bodily injury" or "property damage" that occurs while "covered property" or a "non-owned boat" is involved in an organized or impromptu race including, but not limited, to:

- a. preparation for a race;
- b. participation in a race; or
- c. practicing or qualifying for a race.

A race means any competition for speed or endurance whether against another competitor or time.

"We" also do not pay for "bodily injury" or "property damage" that occurs while "covered property" or a "non-owned boat" is involved in an organized or impromptu contest involving stunts.

This exclusion does not apply to sailboats in an organized or impromptu race.

14. **War Or Military Action** -- "We" do not pay for "bodily injury" or "property damage" that results directly or indirectly from war or military action including:
- 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.

Discharge of a nuclear weapon is deemed a warlike action even if it is accidental.

ADDITIONAL EXCLUSIONS THAT APPLY ONLY TO COVERAGE X -- PERSONAL LIABILITY

The following exclusions apply to Coverage X -- Personal Liability:

1. **Contractual Liability** -- "We" do not pay for "bodily injury" or "property damage" liability assumed under any contract or agreement, except a written contract relating to a dock rental or boat storage indemnity agreement.

2. **Employees** -- "We" do not pay for "bodily injury" to an employee of an "insured" if the "bodily injury" occurs in the course of employment nor do "we" pay for consequential injuries to a spouse, child, parent, brother, or sister of such injured employee.

This exclusion applies where:

- a. the "insured" is liable either as an employer or in any other capacity; or
- b. there is an obligation to fully or partially reimburse a third person for damages arising out of the injuries described above.

3. **Insureds** -- "We" do not pay for "bodily injury" to:

- a. "you";
- b. "your" relatives if residents of "your" household; or
- c. persons under the age of 21 residing in "your" household and in "your" care or the care of "your" resident relatives.

4. **Property Owned, Occupied, Used, Or Rented** -- "We" do not pay for "property damage" to property:

- a. owned by an "insured";
- b. occupied or used by an "insured"; or
- c. rented to or in the care of an "insured".

However, "we" will cover "property damage" to a launching ramp, dock, or boat storage house rented solely to an "insured".

5. **Workers Compensation** -- "We" do not pay for "bodily injury" to a person if benefits are provided or are required to be provided by an "insured" under any law or regulation covering:

- a. U.S. Longshoremen's and Harbor Workers' Compensation Act;

- b. workers' compensation;
- c. non-occupational disability; or
- d. occupational disease.

ADDITIONAL EXCLUSIONS THAT APPLY ONLY TO COVERAGE Y -- MEDICAL PAYMENTS

The following exclusions apply to Coverage Y -- Medical Payments:

1. **Trespassers** -- "We" do not pay for "bodily injury" to a person who is in or on "covered property" or a "non-owned boat" as a trespasser.
2. **Workers Compensation** -- "We" do not pay for "bodily injury" to a person who is entitled to benefits that are provided or required to be provided under any law or regulation covering:
 - a. U.S. Longshoremen's and Harbor Workers' Compensation Act;
 - b. workers' compensation;
 - c. non-occupational disability; or
 - d. occupational disease.

UNINSURED BOATER COVERAGE

COVERAGE Z -- UNINSURED BOATER

1. **Coverage** -- "We" pay, up to the Coverage Z -- Uninsured Boater "limit", all compensatory damages that an "insured" is legally entitled to recover from the owner or operator of an uninsured "boat" because of "bodily injury" sustained by an "insured" and arising out of the ownership, maintenance, or use of an uninsured "boat".

2. **Non-Binding Judgment** -- Any judgment for damages arising out of a suit brought against the owner or operator of an uninsured "boat" without "our" written consent is not binding on "us".
3. **Uninsured Boat Is** -- An uninsured "boat" is a "boat" that causes "bodily injury" to an "insured" and:
 - a. for which no "bodily injury" liability bond or policy applies at the time of the accident;
 - b. that is a hit and run "boat" and the owner or operator of that "boat" cannot be identified; or
 - c. for which "bodily injury" coverage is in force at the time of the accident but the insuring company:
 - 1) becomes insolvent; or
 - 2) denies the coverage.
4. **Uninsured Boat Is Not** -- An uninsured "boat" is not a "boat" that is:
 - a. insured under Coverage X -- Personal Liability of this form for which "we" deny coverage; or
 - b. owned by a governmental unit or agency.

EXCLUSIONS THAT APPLY TO COVERAGE Z -- UNINSURED BOATER

The following exclusions apply to Coverage Z -- Uninsured Boater:

1. **Business Pursuits** -- "We" do not pay for "bodily injury" to an "insured" while using or occupying "covered property" or a "non-owned boat" that is:
 - a. being used in a "business";
 - b. hired out or chartered for the use of others;
 - c. used to transport people or goods for a fee; or

- d. rented to others.
2. **Criminal Acts** -- "We" do not pay for "bodily injury" to a person injured while involved in an illegal or criminal act including illegal trade or transportation.
3. **Owned Or Rented Property** -- "We" do not pay for "bodily injury" to a person who occupies, or is struck by, a "boat" that is not covered under Coverage X -- Personal Liability, and that is owned by, rented to, or available for the regular use of:
- a. "you";
 - b. "your" relatives if residents of "your" household; or
 - c. persons under the age of 21 residing in "your" household and in "your" care or the care of "your" resident relatives.
4. **Racing Or Speed Tests** -- "We" do not pay for "bodily injury" to a person while that person is involved in an organized or impromptu race including, but not limited to:
- a. preparation for a race;
 - b. participation in a race; or
 - c. practicing or qualifying for a race.

A race means any competition for speed or endurance whether against another competitor or time.

"We" also do not pay for "bodily injury" to a person while that person is involved in an organized or impromptu contest involving stunts.

This exclusion does not apply to sailboats in an organized or impromptu race.

5. **Settled Claims** -- "We" do not pay for "bodily injury" to a person or that person's legal representative who settles a "bodily injury" claim with any person who may be liable without "our" consent.

6. **Trespassers** -- "We" do not pay for "bodily injury" to a person who is in or on "covered property" or a "non-owned boat" as a trespasser.

ARBITRATION -- COVERAGE Z -- UNINSURED BOATER

The following arbitration provisions apply to Coverage Z -- Uninsured Boater:

1. **Conditions For Arbitration** -- If an "insured" and "we" do not agree:
- a. whether an "insured" is legally entitled to recover damages; or
 - b. as to the amount of damages;
- either party may make a written request for arbitration. Arbitration will only take place if "you" and "we" agree to arbitrate the dispute.
2. **Selecting An Arbitrator** -- Each party will select an arbitrator and notify the other of the arbitrator's identity within 20 days after the receipt of the written request. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction.
3. **Location And Rules For Arbitration** -- Arbitration will take place in the county in which the "insured" lives, unless both parties agree otherwise. Local rules of law regarding procedure and evidence will apply.
4. **Arbitrators Decision** -- Any decision by the arbitrators will not be binding on either party. The arbitrators may not award more than the "limits" available.
5. **Expenses** -- Each party will pay the expenses it incurs and bear the expenses of the third arbitrator and all other expenses equally.

WHAT MUST BE DONE IN CASE OF LOSS

The following duties apply in the event of a loss. These duties must be performed by "you", "your" representative, an "insured" seeking coverage, or the representative of an "insured" seeking coverage under this form. "We" are not obligated to provide the coverages described in this form if "your" failure to perform these duties is prejudicial to "us".

1. Duties -- All Coverages

a. Notice

1) **Notice To Us** -- In case of a loss, an "insured" must promptly give "us" or "our" agent notice. "We" may request written notice. The notice to "us" must state:

- a) the name of the "insured";
- b) the policy number;
- c) the time, place, and details of the loss; and
- d) names and addresses of all known witnesses and potential claimants.

2) **Notice To Others** -- "You" must also give notice to the U.S. Coast Guard, police, or local authority when there is a loss involving "covered property" or a "non-owned boat" and:

- a) the disappearance of a person from a "boat";
- b) the loss of life; or
- c) theft, vandalism or other criminal act.

b. **Cooperation** -- All "insureds" seeking coverage and the representative or representatives of all "insureds" seeking coverage must cooperate with "us" in any matter concerning a claim or lawsuit.

c. **Volunteer Payments** -- An "insured" must not make payments, pay or offer rewards, or assume obligations or other costs, except at the "insured's" own cost. This does not apply to costs that are allowed by the "terms" of this form.

2. Other Duties -- Property Coverages

a. **Proof Of Loss** -- At "our" request the "insured" must give "us" a signed and sworn proof of loss within 60 days after "our" request that shows:

- 1) the time, place, and details of the loss;
- 2) the interest of the "insured" and of all others in the property including all mortgages and liens;
- 3) other policies that may cover the loss;
- 4) changes in title or use of the property during the policy period;
- 5) detailed estimates for repair or replacement; and
- 6) in detail, the quantity, description, cost, amount of loss, and "actual cash value" of the property involved in the loss. The "insured" must give "us" copies of all bills, receipts, and related documents to confirm these.

b. **Repairs** -- An "insured" must take all reasonable steps to protect property covered under this form at the time of and after an insured loss to avoid further loss. "We" will pay the reasonable costs incurred by an "insured" for necessary repairs or emergency measures performed solely to protect "covered property" and "boating equipment" from further loss following a loss "we" cover. An "insured" must keep an accurate record of such costs.

This does not increase "our" "limit".

- c. **Examination Under Oath** -- At "our" request "insureds" must submit to examination under oath and sign such statements made under oath in matters that relate to the loss or claim. If more than one person is examined, "we" have the right to examine and receive statements separately from each person and not in the presence of other "insureds".
- d. **Show Damaged Property** -- As often as "we" reasonably request "we" must be shown the damaged property and be allowed to inspect and take samples of the property for inspection, testing, and analysis.
- e. **Records And Documents** -- As often as "we" reasonably request, "we" must be given requested records, including but not limited to tax returns and bank records of all canceled checks, that relate to the value, loss, and costs and be permitted to make copies of such records and documents.
- f. **Assistance With Enforcing Right Of Recovery** -- At "our" request, "we" must be given assistance with enforcing any right of recovery that an "insured" may have against a party causing the loss.
3. **Other Duties -- Coverage X -- Personal Liability and Coverage Z -- Uninsured Boater**
- a. **Notices, Demands And Legal Papers** -- In case of an "occurrence" that might result in a claim, an "insured" must promptly give "us" copies of all notices, demands, and legal papers that relate to the "occurrence" or the claim.
- b. **Assistance With Claims And Suits** -- At "our" request, an "insured" must help "us":
- 1) to settle a claim;
 - 2) to conduct suits including being at trials and hearings;
 - 3) to enforce the right of recovery or indemnification against all parties who may be liable to an "insured" for the injury or damage;
 - 4) in the securing of and giving of evidence; and
 - 5) in obtaining the attendance of all witnesses at all related proceedings requiring their attendance.
4. **Other Duties -- Coverage Y -- Medical Payments** -- In case of an accident, the injured person or someone acting on behalf of that person must:
- a. give "us" written proof of claim (under oath if "we" request) as soon as practical; and
 - b. authorize "us" to get copies of medical records.
- The injured person must submit to physical examinations by doctors chosen by "us" when and as often as "we" may reasonably require.
-

HOW MUCH WE PAY

1. Property Coverages

- a. **Actual Cash Value** -- Losses to "covered property" and "boating equipment" are settled on an "actual cash value" basis. "We" will pay the lesser of the following amounts:
- 1) the "actual cash value" of the property at the time of loss;
 - 2) the amount spent to repair or replace the damaged property with material of like kind and quality according to the manufacturer's specifications or accepted repair practices; and
 - 3) any policy "limits" which apply.

b. **Deductible**

- 1) **Deductible Amount** -- Subject to the "limits" that apply, "we" pay only that part of "your" loss over the deductible shown on the "declarations". This applies to all Property Coverages except Emergency Service.
- 2) **More Than One Deductible** -- Except as noted under More Than One Boat, only one deductible applies per loss. When a loss affects two or more items with different deductible amounts, the highest deductible applies.
- 3) **More Than One Boat** -- If "we" cover more than one "boat", a deductible applies to each "boat" and its "motor" and "boat trailer" as shown on the "declarations".

c. **Loss To Parts** -- If there is a loss to a part of an item that consists of several parts when it is complete, "we" pay only for the value of the lost or damaged part or the cost to repair or replace the part.

d. **Insurable Interest** -- Even if more than one person has an insurable interest in the property that is covered, "we" pay no more than the amount of "your" interest in the property.

2. **Liability Coverages**

a. **Coverage X -- Personal Liability** -- The "limit" shown on the "declarations" for Coverage X -- Personal Liability, is the most "we" pay for each "occurrence". This applies regardless of the number of:

- 1) persons insured under this form;
- 2) parties who sustain injury or damage;
- 3) claims made or suits brought;
- 4) "boats", "motors", "boat trailers" or premiums shown on the "declarations";
- 5) "boats", "motors", or "boat trailers" involved in the accident; or
- 6) policy periods involved.

All "bodily injury" and "property damage" arising out of any one accident or out of repeated exposures to similar conditions will be considered one "occurrence".

b. **Coverage Y -- Medical Payments**

- 1) **Limit** -- The "limit" shown on the "declarations" for Coverage Y -- Medical Payments, is the most "we" will pay for all medical expenses payable for "bodily injury" to one person as the result of an accident.
- 2) **Reduction Of Amounts Payable** -- Medical expenses payable under Coverage Y -- Medical Payments, will be reduced by the amount payable or paid for the same expenses under Coverage Z -- Uninsured Boater, or Coverage X -- Personal Liability.
- 3) **No Admission Of Liability** -- The payment of a claim under Coverage Y -- Medical Payments is not an admission that "we" are liable under Coverage X -- Personal Liability.

3. **Coverage Z -- Uninsured Boater**

a. **Limit** -- The "limit" shown on the "declarations" for Coverage Z -- Uninsured Boater, is the most "we" pay for each accident. This applies regardless of the number of:

- 1) persons insured under this form;
- 2) parties who sustain injury or damage;
- 3) claims made or suits brought;
- 4) "boats", "motors", "boat trailers" or premiums shown on the "declarations";
- 5) "boats", "motors", or "boat trailers" involved in the accident; or
- 6) policy periods involved.

b. **Reduction Of Amounts Payable --**
Amounts otherwise payable for damages under Coverage Z -- Uninsured Boater, will be reduced by:

- 1) amounts paid because of "bodily injury" by or on behalf of persons or organizations who may be legally responsible including amounts paid under Coverage X -- Personal Liability; and
- 2) amounts paid or payable for "bodily injury" under any law or regulation covering:
 - a) U.S. Longshoremen's and Harbor Workers' Compensation Act;
 - b) workers' compensation;
 - c) non-occupational disability; or
 - d) occupational disease.

Amounts payable to an "insured" under Coverage Z -- Uninsured Boater will reduce the amounts that person is entitled to recover for the same damages under Coverage X -- Personal Liability and Coverage Y -- Medical Payments.

4. **Insurance Under More Than One Coverage --** If more than one coverage of this form applies to the same loss, "we" pay no more than the actual claim, loss, or damage sustained.

5. **Insurance Under More Than One Policy**

- a. If this form and any other form or policy issued to "you" by "us" apply to the same loss or claim, "our" maximum "limit" under all such insurance will not exceed the highest applicable "limit" under any one form or policy.

However, if the other insurance is specifically written as excess over this form, the "limit" of this form applies first.

- b. If other insurance that applies to the loss or claim is provided under a policy that has not been issued to "you" by "us", "we" will pay the following:

- 1) **Property Coverage --** "We" pay "our" share of the loss. "Our" share is that part of the loss that the "limit" of this form bears to the total amount of insurance that applies to the loss.
- 2) **Coverage X -- Personal Liability, and Coverage Z -- Uninsured Boater --** This form is excess over any other insurance. If the other insurance is specifically written as excess insurance over this form, the "limit" of this form applies first.
- 3) **Coverage Y -- Medical Payments --** This form is excess over any other insurance. However, if the other insurance is specifically written as excess insurance over this form, the "limit" of this form applies first.

PAYMENT OF LOSS OR CLAIM

1. Your Property

- a. **When We Pay --** "We" adjust each loss to "your" property with "you". "We" pay a covered loss within 60 days after an acceptable proof of loss is received and the amount of the loss is agreed to in writing. If "you" and "we" do not agree, "we" pay within 60 days after the filing of an appraisal award with "us".
- b. **Our Options --** At "our" option, "we" may:
 - 1) pay the loss in money; or
 - 2) rebuild, repair or replace the property. "We" must give "you" notice of "our" intent to do so within 30 days after "we" receive an acceptable proof of loss.
- c. **We May Take Property --** "We" may take all or part of the damaged property at the agreed or appraised value. Property paid for or replaced by "us" becomes "ours".

- d. **Payment Made To You** -- Payment is made to "you" unless a loss payee is named or is legally entitled to payment.
2. **Coverage X -- Personal Liability** -- A person who has secured a judgment against an "insured" for a loss covered by the Personal Liability Coverage provided by this form or has liability established by a written agreement between the claimant, an "insured", and "us" is entitled to recover under this form to the extent of coverage provided.
3. **Coverage Y -- Medical Payments** -- Payment for medical expenses may be made to the injured person, their representative, or the provider of medical services.

ADDITIONAL EXCLUSIONS AND LIMITATIONS

1. **Fines, Penalties, Or Tax Liens** -- "We" do not pay for fines, penalties or tax liens arising out of the violation of law or government assessments.
2. **Seaworthiness Warranty**
 - a. **Safe And Navigable Condition** -- "You" warrant that "covered property" is and will be kept in a safe and navigable condition whenever afloat or being operated.
 - b. **We Do Not Cover** -- "We" do not cover any loss or damage caused by "your" failure to exercise due diligence to properly maintain "covered property" in a seaworthy condition.

OTHER POLICY CONDITIONS

CONDITIONS THAT APPLY TO ALL COVERAGES

The following conditions apply to all coverages under this form:

1. **Assignment** -- Coverage under this form may not be assigned without "our" written consent.
2. **Change, Modification, Or Waiver Of Policy Terms** -- A waiver or change of the "terms" of this form must be issued by "us" in writing to be valid.

"Our" request for an appraisal or examination under oath does not waive policy "terms".

3. **Conformity With Statute** -- When the "terms" of this form are in conflict with the applicable laws and statutes, the provisions are changed to conform to such laws and statutes.
4. **Death** -- On "your" death, "we" will cover the following as an "insured":

- a. the person who has proper temporary custody of "your" property until a qualified legal representative is appointed; or
- b. "your" legal representative.

This person or organization is an "insured" only with respect to property covered under this form and liability arising out of that property.

This coverage does not go beyond the end of the policy period.

5. **Liberalization** -- If "we" adopt a revision which broadens coverage under this edition of "our" form without an additional premium, the broadened coverage will apply to "your" policy as of the date "we" adopt the revision in "your" state. This does not apply to changes adopted as a result of the introduction of a subsequent edition of "our" form.

6. **Misrepresentation, Concealment, Or Fraud** -- "We" do not provide coverage for any "insured" if, before or after a loss:

- a. an "insured" has willfully concealed or misrepresented a material fact or circumstance that relates to this insurance or the subject thereof; or
- b. there has been fraudulent conduct or false swearing by an "insured" with regard to a matter that relates to this insurance or the subject thereof.

This applies even with respect to an "insured" who was not involved in the concealment, misrepresentation, fraudulent conduct, or false swearing.

7. **Recoveries** -- If "we" pay for a loss and lost or damaged property is recovered or payment is made by those responsible for the loss:

- a. the "insured" must inform "us" or "we" must inform the "insured" if either recovers property or receives payment;
- b. proper costs incurred by either party are paid first;
- c. the "insured" may keep the property. The amount of the claim paid, or a lesser amount to which "we" agree, must be returned to "us"; and
- d. if the claim paid is less than the agreed loss due to a deductible, or other limiting "terms", the recovery is prorated between the "insured" and "us" based on the interest of each in the loss.

8. **Subrogation** -- If "we" pay for a loss, "we" may require that an "insured" assign to "us" the right of recovery up to the amount "we" pay. "We" are not liable for a loss to the extent that, after the loss, an "insured" impairs "our" right to recover against others. An "insured" may waive his or her right to recover, in writing and before a loss occurs, without affecting coverage.

In the event that "we" require such an assignment, an "insured" must:

- a. sign and give to "us" all related documents; and
- b. cooperate with "us".

If "we" pay a loss to an "insured" who recovers from another party for the same loss, that "insured" must pay "us" as stated in Recoveries above.

Subrogation does not apply to Coverage Y -- Medical Payments.

9. **Territory** -- Unless otherwise shown on the "declarations", "we" only provide coverage under this form for losses, "bodily injury", or "property damage" that occur within:

- a. the United States of America or Canada including the inland lakes, tributaries, rivers and navigable waterways;
- b. the Great Lakes; or
- c. coastal waters that extend 100 statute miles or less from the coast of either the United States of America or Canada.

However, "personal watercraft" coverage extends only within 10 statute miles from the coast of either the United States or Canada.

This does not include the territory or territorial waters of any country other than the United States or Canada.

CONDITIONS THAT APPLY ONLY TO PROPERTY COVERAGES

The following conditions apply only to property coverages:

1. **Abandonment Of Property** -- An "insured" may not abandon any property to "us" unless "we" agree to it in writing.
2. **Appraisal**
 - a. **Conditions For An Appraisal** -- If "you" and "we" do not agree on the amount of loss or the value of property, either party may demand that these amounts be determined by appraisal.
 - b. **Selecting An Appraiser** -- If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.
 - c. **Appraisers Will Determine** -- The appraisers will then determine and state separately the amount of each loss.

The appraisers will also determine the value of property items covered at the time of the loss, if requested.
 - d. **Report Of Agreement** -- If the appraisers submit a written report of any agreement to "us", the amount agreed upon will be the amount of the loss.
 - e. **Failure To Agree** -- If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three, sets the amount of the loss.

- f. **Expenses** -- Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us".

3. **Inspections** -- "We" have the right, but are not obligated, to inspect "your" "covered property". This inspection may be made by "us" or may be made on "our" behalf. An inspection or its resulting advice or report does not warrant that "your" property is:

- a. safe;
- b. free of fungi, bacteria, "pollutants", or other toxins that may be hazardous to health;
- c. in compliance with codes, standards, laws, rules or regulations; or
- d. seaworthy.

Inspections or reports are for "our" benefit only.

4. **No Benefit To Bailee** -- Coverage under this form will not directly or indirectly benefit those who are caring for or handling property covered under this form for a fee or being compensated for their service.

5. **Suit Against Us** -- No suit may be brought against "us" unless all the "terms" that apply to Property Coverages have been complied with and the suit is brought within two years after the loss.

If the applicable law makes this time period invalid, the suit must be brought within the time period allowed by the law.

CONDITIONS THAT APPLY ONLY TO LIABILITY COVERAGES

The following conditions apply only to liability coverages:

1. **Bankruptcy Of An Insured** -- Bankruptcy or insolvency of an "insured" does not relieve "us" of "our" obligations under this form.

2. **Suit Against Us** -- No suit may be brought against "us" unless all the "terms" of this form have been complied with and the amount of an "insured's" liability has been fixed by:

a. a final judgment against an "insured" that is the result of a trial; or

b. a written agreement of the "insured", the claimant, and "us".

No person has a right under this form to join "us" or impede "us" in actions that are brought to fix the liability of an "insured".

BT 0100 05 08

PUNITIVE DAMAGE EXCLUSION

This policy does not apply to a claim or indemnification for "punitive or exemplary" damages. "Punitive or exemplary" damages means those damages imposed to punish a wrongdoer and to deter others from similar conduct.

If a suit seeking both compensatory and "punitive or exemplary" damages is brought against an "insured" for an "occurrence" covered by this form, "we" will provide defense coverage.

"We" will not pay for any costs, interest, or damages attributable to "punitive or exemplary" damages.

All other "terms" of the form apply.

LAY-UP PERIOD LIMITATION

1. "You" agree that the "boats" described on the "declarations" will not be used for navigation during the lay-up period shown on the "declarations". This does not include a "boat" being moved from one storage location to another storage location during the lay-up period.
2. "You" agree that the "boats" described on the "declarations" will be located in a safe berth for storage:
 - a. ashore; or
 - b. afloatduring the lay-up period shown on the "declarations".
3. No coverage will be afforded under this form for loss, "bodily injury", or "property damage" that occurs during the lay-up period while the "boat" described on the "declarations" is being:
 - a. used for navigation, or
 - b. loaded or unloaded.

PERSONAL WATERCRAFT EXCLUSION

With respect to all coverages except Coverage Z -- Uninsured Boater, the definitions of "boat" and "business" are deleted and replaced by the following:

"Boat" means a watercraft other than a "personal watercraft". It includes sails, spars, fittings, and all permanently attached equipment. It does not include outboard motors.

"Business" means any trade, profession, or occupation including but not limited to:

- a. selling, chartering, renting, repairing, servicing, storing, mooring, or anchoring "boats" and "personal watercraft"; and
- b. operation of yacht clubs, shipyards, and marinas.

Entertainment of business clients on "your" "boat" is not considered "business".

EXPANDED EMERGENCY SERVICE

Under Additional Property Coverages, Emergency Service is replaced by the following:

Expanded Emergency Service

- a. **Coverage** -- "We" will cover the reasonable cost of emergency service arising out of the disablement of a covered "boat", "boat trailer", or "motor" which involves:
 - 1) towing to the nearest place for repairs or service;
 - 2) delivery of gas, oil, or a battery;
 - 3) changing a "boat trailer" tire; or
 - 4) charges for labor performed.

- b. **We Do Not Cover** -- "We" do not cover the cost of:
 - 1) gas, oil or batteries;
 - 2) tires; or
 - 3) parts or supplies.

- c. **Coverage Limitation** -- "We" only cover the cost of labor performed at the place of disablement.

- d. **Limit** -- The most "we" pay under this coverage is the "limit" shown on the "declarations" for Emergency Service.

No deductible applies under this coverage.

PERSONAL EFFECTS COVERAGE

This policy is amended to include the following "terms". All other "terms" of the policy apply, except as amended by this endorsement.

Under Property Coverages, Additional Property Coverages, the following coverage is added:

PERSONAL EFFECTS COVERAGE

1. **Property Covered** -- "We" will pay for direct physical loss or damage to personal effects owned by "you" and "your" guests while aboard or being loaded onto or off of "covered property".
2. **Property Not Covered** -- "We" do not cover the following property:
 - a. **Excluded Property** -- "We" do not pay for loss or damage to the following items:
 - 1) animals;
 - 2) fuel;
 - 3) furs;
 - 4) goldware, precious metals, or silverware;
 - 5) guns;
 - 6) jewelry, precious or semi-precious stones, or watches;
 - 7) money, securities, valuable papers and documents, or travelers checks;
 - 8) photographic equipment; or
 - 9) computer hardware or software.
 - b. **Business** -- "We" do not pay for loss or damage to personal effects while the "covered property" is:
 - 1) being used in a "business";
 - 2) hired out or chartered for the use of others;
 - 3) used to transport people or goods for a fee; or
 - 4) rented to others.

- c. **Racing And Stunt Activity** -- "We" do not pay for loss or damage to personal effects caused by or resulting from involvement in an organized or impromptu race including, but not limited, to:

- 1) preparation for a race;
- 2) participation in a race; or
- 3) practicing or qualifying for a race.

A race means any competition for speed or endurance whether against another competitor or time.

"We" also do not pay for loss or damage caused by or resulting from involvement in an organized or impromptu contest involving stunts.

This exclusion does not apply to sailboats in an organized or impromptu race.

- d. **Residential Use** -- "We" do not pay for loss or damage to personal effects while the "boat" is used as a primary or permanent residence.
3. **Covered Losses** -- "We" cover direct physical loss or damage to personal effects except as limited or excluded by this form.
 4. **Exclusions That Apply To Personal Effects Coverage** -- "We" do not pay for a loss or damage to "personal effects" caused directly or indirectly by any of the following. Such losses are excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded cause.
 - a. **Property Coverages Exclusions** -- "We" do not pay for loss that is excluded under the Property Coverages section of this form.

- b. **Missing Personal Effects** -- "We" do not pay for missing personal effects where the only proof of loss is unexplained or mysterious disappearance of covered property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the covered property.
- c. **Theft** -- "We" do not pay for loss due to theft of personal effects unless the personal effects are stolen from a locked compartment or cabin.
5. **Limit** -- The most "we" pay for personal effects is the amount shown on the "declarations" for Personal Effects Coverage.
6. **How Much We Pay**
- a. **Actual Cash Value** -- Losses under Personal Effects Coverage are settled on an "actual cash value" basis. "We" will pay the lesser of:
- 1) the "actual cash value" of the property at the time of loss;
 - 2) the amount spent to repair or replace the damaged or stolen property with material of like kind and quality; or
 - 3) the limit of liability shown on the "declarations".
- b. **Deductible** -- Subject to the "limits" that apply, "we" pay only that part of "your" loss over the \$100 deductible. However, if more than one deductible applies to a loss, no more than one deductible shall apply to loss arising out of one occurrence. When a loss affects two or more items with different deductible amounts, the highest deductible applies.
- c. **Insurance Under More Than One Policy** -- If this form and any other form or policy issued to "you" by "us" apply to the same loss or claim, "our" maximum "limit" under all such insurance will not exceed the highest applicable "limit" under any one form or policy.
- However, if the other insurance is specifically written as excess over this form, the "limit" of this form applies first.
- If other insurance that applies to the loss or claim is provided under a policy that has not been issued to "you" by "us", "we" will pay "our" share of the loss. "Our" share is that part of the loss that the "limit" of this form bears to the total amount of insurance that applies to the loss.
- d. **Loss to Parts** -- If there is a loss to a part of an item that consists of several parts when it is complete, "we" pay only for the value of the lost or damaged part or the cost to repair or replace the part.

NAMED STORM DEDUCTIBLE

In the event of any loss caused directly or indirectly by a storm system that has been named by the National Oceanic and Atmospheric Administration (NOAA), the amount of deductible that applies to the loss, whether a partial or a total loss, will be the greatest of:

- a. the deductible amount shown on the "declarations" for the "covered property";
- b. \$1,000; or
- c. five percent (5%) of the "limit" that applies to the "covered property".

"We" will only pay that part of "your" loss over the deductible. When a loss affects two or more items with different deductible amounts, the highest deductible applies. If "we" cover more than one "boat", a deductible applies to each "boat" and its "motor" and "boat trailer" as shown on the "declarations". Otherwise, not more than one deductible applies per loss.

AGREED VALUE SETTLEMENT PROVISION

(Entries required to complete the Schedule will
be shown below or on the "declarations".)

Schedule

	"Boat"	Year	Manufacturer	Model	Type	Length	Serial Number
1.							
2.							
3.							

HOW MUCH WE PAY

For "boats" indicated on the schedule above and their "motors", "boat trailers" and "boating equipment", under How Much We Pay, Property Coverages, the Actual Cash Value provision is replaced by the following:

Loss Settlement Terms

1. **Total Loss** -- If there is a total or constructive total loss to a "boat" described on this schedule, "we" will pay the "limit" shown on the declarations for the "boat" reduced by its salvage value if "you" retain the salvage.

2. **Partial Loss Which You Repair Or Replace**

a. If there is a loss to a "boat" on this schedule, other than a total or constructive total loss, which "you" repair or replace, "we" will pay the reasonable cost of repair or replacement, without deduction for depreciation, but not exceeding the lesser of:

- 1) the "limit" shown on the "declarations" for the damaged "boat";

- 2) the replacement cost of the damaged part of the "boat"; or
- 3) the amount spent to repair or replace the damaged part of the "boat" with material of like kind and quality according to the manufacturers' specifications or accepted repair practices.

b. The terms of Partial Loss Which You Repair Or Replace do not apply to:

- 1) upholstery;
- 2) outdrives or jet drives;
- 3) carpet;
- 4) mechanical or electronic parts; or
- 5) canvas, sails, or rigging.

3. **Other Loss Which You Do Not Repair Or Replace** -- If there is a loss to a "boat" described on this schedule, other than a total or constructive total loss, which "you" do not repair or replace, "we" will pay the lesser of:

- a. the "limit" shown on the "declarations" for the damaged "boat";
- b. the "actual cash value" of the damaged part of the "boat" at the time of the loss; or

- c. the amount needed to repair or replace the damaged part of the "boat" with material of like kind and quality according to the manufacturers' specifications or accepted repair practices.

4. Loss To All Other Property

- a. If there is a loss or damage to property described below in item 4.b. "we" will pay the lesser of the:
 - 1) "limit" that applies to the damaged property;
 - 2) "actual cash value" of the damaged property at the time of the loss; or
 - 3) amount needed to repair or replace the damaged property with material of like kind and quality according to the manufacturers' specifications or accepted repair practices.

- b. The terms of Loss To All Other Property apply to the following property:

- 1) "motors";
- 2) "boat trailers";
- 3) "boating equipment";
- 4) upholstery;
- 5) outdrives or jet drives;
- 6) carpet;
- 7) mechanical or electronic parts; or
- 8) canvas, sails, or rigging.

BT 4800 05 08

ADDITIONAL INTERESTS

(The entries required to complete this endorsement
will be shown below or on the "declarations".)

A loss payable under Principal Property Covered will be paid to "you" and the
additional interests as indicated below:

"Boats", "Motors", or "Boat Trailers" With an Additional Interest:

Name and Address of Person or Organization With an Additional Interest and
Type of Interest:

Name and Address of Person or Organization With an Additional Interest and
Type of Interest:

Name and Address of Person or Organization With an Additional Interest and
Type of Interest:

ADDITIONAL INSURED

(Entries required to complete the Schedule will be shown below or on the "declarations".)

SCHEDULE

Name and Address of Person or Organization:

This form is amended to include the following "terms". All other "terms" of the policy apply, except as amended by this endorsement.

1. With respect to Coverage X -- Personal Liability, the definition of "insured" includes the person or organization named in the Schedule above, but only for liability arising out of vicarious tort liability resulting from "your" ownership, maintenance or use of "covered property".
2. With respect to the person or organization named in the Schedule above, this coverage does not apply to "bodily injury" to a person employed by the person or organization named in the Schedule if the "bodily injury" arises out of or in the course of his or her employment.
3. "We" will notify, in writing, the person or organization named as an additional insured in the schedule above or on the "declarations" if "we" decide to cancel or not renew this policy. Notification will be mailed to the address listed for the additional insured in the schedule above or on the "declarations".

LOSS PAYEE PROVISION

(The entries required to complete this endorsement
will be shown below or on the "declarations".)

Schedule

Covered Property

Name and Address of Loss Payee

If a loss payee is indicated on the schedule above or on the "declarations", the following conditions apply to the property described on the schedule or on the "declarations". The following conditions apply in addition to the policy "terms" which are contained in other sections of the Boatowners Special Form.

1. **Loss Payable** -- Any loss covered by this form will be payable to "you" and the loss payee described on the schedule above as interests appear. If more than one loss payee is named, they will be paid in order of precedence.
2. **Coverage For Loss Payee** -- The insurance for the loss payee continues in effect even when "your" insurance may be void because of "your" acts, neglect, or failure to comply with the coverage "terms".
3. **Losses Not Covered For Loss Payee** -- The insurance for the loss payee does not continue in effect:
 - a. if the loss payee is aware of changes in ownership or a substantial increase in risk and does not notify "us"; or
 - b. if the covered property is intentionally damaged, destroyed or concealed by an "insured".

4. **Limit Of Liability** -- The amount payable to the loss payee will be the lesser of the following amounts:
 - a. the "actual cash value" of the damaged property described on this schedule or on the "declarations";
 - b. the unpaid balance of the loan for the property described on this schedule or on the "declarations";
 - c. the cost to repair or replace the damaged property with material of like kind and quality according to the manufacturer's specifications or accepted repair practices; and
 - d. any policy "limits" which apply.
5. **Notification Of Cancellation Or Non-Renewal** -- If "we" cancel or not renew this form, "we" will notify the loss payee at the address shown on this schedule or on the "declarations" at least ten days before the cancellation or nonrenewal is effective.
6. **Payment Of Premium** -- "We" may request payment of the premium from the loss payee if "you" fail to pay the premium.

7. **Our Right To Collect Debt** -- If "we" pay the loss payee for a loss where "your" insurance may be void, the loss payee's right to collect that portion of the debt from "you" then belongs to "us". This does not affect the loss payee's right to collect the remainder of the debt from "you". As an alternative, "we" may pay the loss payee the remaining principal and accrued interest in return for a full assignment of the loss payee's interest and any instruments given as security for the debt.

AGREED VALUE LOSS PAYEE PROVISION

(The entries required to complete this endorsement
will be shown below or on the "declarations".)

Schedule

Covered Property

Name and Address of Loss Payee

If a loss payee is indicated on the schedule above or on the "declarations", the following conditions apply to the property described on the schedule or on the "declarations". The following conditions apply in addition to the policy "terms" which are contained in other sections of the Boatowners Special Form.

1. **Loss Payable** -- Any loss covered by this form will be payable to "you" and the loss payee described on the schedule above as interests appear. If more than one loss payee is named, they will be paid in order of precedence.
2. **Coverage For Loss Payee** -- The insurance for the loss payee continues in effect even when "your" insurance may be void because of "your" acts, neglect, or failure to comply with the coverage "terms".
3. **Losses Not Covered For Loss Payee** -- The insurance for the loss payee does not continue in effect:
 - a. if the loss payee is aware of changes in ownership or a substantial increase in risk and does not notify "us"; or
 - b. if the covered property is intentionally damaged, destroyed or concealed by an "insured".

4. **Limit Of Liability** -- The amount payable to the loss payee will be the lesser of the following amounts:

- a. **Total Loss** -- If there is a total or constructive total loss to a "boat" described on this schedule, "we" will pay the "limit" shown on the declarations for the "boat" reduced by its salvage value if the loss payee retains the salvage.
- b. **Partial Loss Which Is Repaired Or Replaced** -- If there is a loss other than a total or constructive total loss, which is repaired or replaced, "we" will pay the reasonable cost of repair or replacement, without deduction for depreciation, but not exceeding the lesser of:
 - 1) the "limit" shown on the "declarations" for the damaged "boat";
 - 2) the replacement cost of the damaged part of the "boat"; or
 - 3) the amount spent to repair or replace the damaged part of the "boat" with material of like kind and quality according to the manufacturers' specifications or accepted repair practices.

This does not apply to:

- a) upholstery;
- b) outdrives;
- c) jet drives;
- d) carpet;
- e) mechanical or electronic parts; or
- f) canvas, sails, or rigging.

- c. **Other Loss Which Is Not Repaired Or Replaced** -- If there is a loss to a "boat" described on this schedule, other than a total or constructive total loss, which is not repaired or replaced, "we" will pay the lesser of:
- 1) the "limit" shown on the "declarations" for the damaged "boat";
 - 2) the "actual cash value" of the damaged part of the "boat" at the time of the loss; or
 - 3) the amount needed to repair or replace the damaged part of the "boat" with material of like kind and quality according to the manufacturers' specifications or accepted repair practices.
- d. **Unpaid Balance Of Loan** -- Subject to a., b., and c. above, "we" will not pay more than the unpaid balance of the loan for the property described on this schedule or on the "declarations".

5. **Notification Of Cancellation Or Non-Renewal** -- If "we" cancel or not renew this form, "we" will notify the loss payee at the address shown on this schedule or on the "declarations" at least ten days before the cancellation or nonrenewal is effective.
6. **Payment Of Premium** -- "We" may request payment of the premium from the loss payee if "you" fail to pay the premium.
7. **Our Right To Collect Debt** -- If "we" pay the loss payee for a loss where "your" insurance may be void, the loss payee's right to collect that portion of the debt from "you" then belongs to "us". This does not affect the loss payee's right to collect the remainder of the debt from "you". As an alternative, "we" may pay the loss payee the remaining principal and accrued interest in return for a full assignment of the loss payee's interest and any instruments given as security for the debt.

BT 6003 05 08

CHANGE ENDORSEMENT

This endorsement amends the policy identified below. All other "terms" of the policy apply, except as amended by this endorsement.

Policy Number: _____

"Our" Name: _____

"Your" Name: _____

Agency: _____ By: _____

Address (as shown on the "declarations") _____

Effective Date of Endorsement: _____

Policy Period: From _____ To _____

POLICY CHANGES

1. Amount of Coverage Changes

Boats	From	To
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

Motors	From	To
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

Boat Trailers	From	To
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

Personal Liability From: _____ To: _____ each occurrence

Medical Payments From: _____ To: _____ each person

Uninsured Boaters From: _____ To: _____ each accident

2. Other Changes (Include Endorsement Numbers and Edition Dates.)

PREMIUM ADJUSTMENT	Additional Premium	Return Premium
Due at Endorsement Effective Date:	\$ _____	\$ _____

REVISED INSTALLMENT PAYMENTS (Applies to three-year installment policies.)

Dates Due	Original Installments	Increase	Decrease	Revised Installments
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
Total Premium to Policy Expiration		\$ _____	\$ _____	

INSTALLMENT PREMIUM PAYMENTS

The premium for this coverage is payable in annual installments as shown on the "declarations". "You" agree to pay each subsequent annual installment based on the premiums which are then in effect for "us" and which apply to this coverage.

AMENDATORY ENDORSEMENT ARKANSAS

1. Under Definitions, the definition of "pollutants" is deleted and replaced by the following:

"Pollutants" means any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of.
2. Under What Must Be Done In Case Of Loss, Other Duties -- Property Coverages, Proof Of Loss is amended to include the following:

"We" will send "you" the necessary forms within 20 days after "you" first report the loss.
3. Under Other Policy Conditions, Conditions That Apply To All Coverages, item d. under Recoveries is deleted and replaced by the following:
 - d. if the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy, "we" will make "you" whole before recovering for "our" loss.
4. Under Other Policy Conditions, Conditions That Apply Only To Property Coverages, Suit Against Us is deleted and replaced by the following:

Suit Against Us -- No suit may be brought against "us" unless all the "terms" that apply to Property Coverages have been complied with and the suit is brought within five years after the loss.
5. Under Other Policy Conditions, Conditions That Apply Only To Property Coverages, paragraphs a., b., and e. of Appraisal are deleted and replaced by the following:
 - a. **Conditions For An Appraisal** -- If "you" and "we" do not agree on the amount of loss or the value of property, either party may make a written request that these amounts be determined by appraisal.
 - b. **Selecting An Appraiser** -- If both parties voluntarily agree to an appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.
 - e. **Failure To Agree** -- If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. A written agreement by two of these three will establish the amounts stated above. This written agreement is non-binding on both parties.

BT 0803 05 08

POLICY CONDITIONS ARKANSAS

1. **Cancellation And Nonrenewal** -- "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

"We" may cancel or not renew this policy by written notice to "you" at the address shown on the "declarations". Proof of delivery or mailing is sufficient proof of notice.

If this policy has been in effect for 60 days or less, "we" may cancel for any reason. "We" will give "you" notice at least ten days before cancellation is effective.

If this policy has been in effect more than 60 days, or if it is a renewal of a policy issued by "us", "we" may cancel only at the anniversary date unless:

- a. the premium has not been paid when due;
- b. there has been fraud or material misrepresentation made by "you" or with "your" knowledge in obtaining the policy, continuing the policy, or in presenting a claim under the policy;
- c. there has been a material change or increase in hazard of the risk;
- d. there has been violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to any insured property or the occupancy thereof which substantially increases any hazard insured against under this policy; or

- e. there has been a material violation of a material provision of the policy.

"We" will give "you" notice at least ten days before cancellation is effective if "we" cancel this policy for nonpayment of premium. If "we" cancel this policy for any other reason after it has been in effect for more than 60 days, "we" will give "you" notice at least 20 days in advance of cancellation.

If "we" do not renew this policy, "we" will give "you" notice at least 30 days before nonrenewal is effective.

"Your" return premium, if any, will be calculated on a pro-rata basis and will be refunded at the time of cancellation or as soon as practical. Payment or tender of the unearned premium is not a condition of cancellation.

2. **Renewal** -- If "we" intend to renew this policy, "we" will provide "you", and "your" agent of record, a written or electronic offer of renewal at least 30 days prior to the expiration of the policy's existing term. The offer of renewal will include the new premium and provide a description of any change in deductible or policy provisions in the renewal policy.

BT 0903 05 08

SERFF Tracking Number: *AMAX-125708401* *State:* *Arkansas*
Filing Company: *American Association of Insurance Services* *State Tracking Number:* *EFT \$500*
Company Tracking Number: *AAIS-2008-26F*
TOI: *09.0 Inland Marine* *Sub-TOI:* *09.0006 Other Personal Inland Marine*
Product Name: *Boatowners*
Project Name/Number: *CW BT 05 08 Forms - AAIS-2008-26F/AAIS-2008-26F*

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: AMAX-125708401 State: Arkansas
Filing Company: American Association of Insurance Services State Tracking Number: EFT \$500
Company Tracking Number: AAIS-2008-26F
TOI: 09.0 Inland Marine Sub-TOI: 09.0006 Other Personal Inland Marine
Product Name: Boatowners
Project Name/Number: CW BT 05 08 Forms - AAIS-2008-26F/AAIS-2008-26F

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 06/26/2008

Comments:

Attachments:

AR - NAIC P&C TRANSMITTAL DOCUMENT.PDF
AR - NAIC FORM FILING SCHEDULE.PDF

Satisfied -Name: AR - REG 29 - CERT OF COMPLIANCE **Review Status:** Approved 06/26/2008

Comments:

Attachment:

AR - REG 29 - CERT OF COMPLIANCE.PDF

Satisfied -Name: AR - FORM FILING ABSTRACT F-1 **Review Status:** Approved 06/26/2008

Comments:

Attachment:

AR - FORM FILING ABSTRACT F-1.PDF

Satisfied -Name: BT CW Forms Filing Memo **Review Status:** Approved 06/26/2008

Comments:

Attachment:

BT CW Forms Filing Memo.PDF

Satisfied -Name: Exhibit A CW Rev, New, Not Applicable Forms, Endts, and Schedules **Review Status:** Approved 06/26/2008

Comments:

SERFF Tracking Number: *AMAX-125708401* *State:* *Arkansas*
Filing Company: *American Association of Insurance Services* *State Tracking Number:* *EFT \$500*
Company Tracking Number: *AAIS-2008-26F*
TOI: *09.0 Inland Marine* *Sub-TOI:* *09.0006 Other Personal Inland Marine*
Product Name: *Boatowners*
Project Name/Number: *CW BT 05 08 Forms - AAIS-2008-26F/AAIS-2008-26F*

Attachment:

Exhibit A CW Rev, New, Not Applicable Forms, Endts, and Schedules.PDF

SERFF Tracking Number: AMAX-125708401 State: Arkansas
Filing Company: American Association of Insurance Services State Tracking Number: EFT \$500
Company Tracking Number: AAIS-2008-26F
TOI: 09.0 Inland Marine Sub-TOI: 09.0006 Other Personal Inland Marine
Product Name: Boatowners
Project Name/Number: CW BT 05 08 Forms - AAIS-2008-26F/AAIS-2008-26F

Satisfied -Name: AR Exhibit B State Amendatory Endorsements **Review Status:** Approved 06/26/2008

Comments:

Attachment:

AR Exhibit B State Amendatory Endorsements.PDF

Satisfied -Name: AAIS BT 0100 05 08 to BT 0100 11 99 **Review Status:** Approved 06/26/2008

Comments:

Attachment:

AAIS BT 0100 05 08 to BT 0100 11 99.PDF

Satisfied -Name: AAIS BT 1301 05 08 to BT 0010 12 99 **Review Status:** Approved 06/26/2008

Comments:

Attachment:

AAIS BT 1301 05 08 to BT 0010 12 99.PDF

Satisfied -Name: AAIS BT 2000 05 08 to BT 0004 11 99 **Review Status:** Approved 06/26/2008

Comments:

Attachment:

AAIS BT 2000 05 08 to BT 0004 11 99.PDF

Satisfied -Name: AAIS BT 2001 05 08 to BT 0009 11 99 **Review Status:** Approved 06/26/2008

Comments:

Attachment:

AAIS BT 2001 05 08 to BT 0009 11 99.PDF

SERFF Tracking Number: AMAX-125708401 State: Arkansas
Filing Company: American Association of Insurance Services State Tracking Number: EFT \$500
Company Tracking Number: AAIS-2008-26F
TOI: 09.0 Inland Marine Sub-TOI: 09.0006 Other Personal Inland Marine
Product Name: Boatowners
Project Name/Number: CW BT 05 08 Forms - AAIS-2008-26F/AAIS-2008-26F

Satisfied -Name: AAIS BT 2500 05 08 to BT 0007 11
99 **Review Status:** Approved 06/26/2008

Comments:

Attachment:

AAIS BT 2500 05 08 to BT 0007 11 99.PDF

Satisfied -Name: AAIS BT 4800 05 08 to BT 0100 11
99 **Review Status:** Approved 06/26/2008

Comments:

Attachment:

AAIS BT 4800 05 08 to BT 0100 11 99.PDF

Satisfied -Name: AAIS BT 6000 05 08 to BT 0006 11
99 **Review Status:** Approved 06/26/2008

Comments:

Attachment:

AAIS BT 6000 05 08 to BT 0006 11 99.PDF

Satisfied -Name: AAIS BT 6002 05 08 to BT 0005 11
99 **Review Status:** Approved 06/26/2008

Comments:

Attachment:

AAIS BT 6002 05 08 to BT 0005 11 99.PDF

Satisfied -Name: AAIS BT 6500 05 08 to BT 0001 11
99 **Review Status:** Approved 06/26/2008

Comments:

Attachment:

AAIS BT 6500 05 08 to BT 0001 11 99.PDF

SERFF Tracking Number: AMAX-125708401 State: Arkansas
Filing Company: American Association of Insurance Services State Tracking Number: EFT \$500
Company Tracking Number: AAIS-2008-26F
TOI: 09.0 Inland Marine Sub-TOI: 09.0006 Other Personal Inland Marine
Product Name: Boatowners
Project Name/Number: CW BT 05 08 Forms - AAIS-2008-26F/AAIS-2008-26F

Satisfied -Name: AAIS BT 6501 05 08 to BT 0002 11 99
Review Status: Approved 06/26/2008

Comments:

Attachment:

AAIS BT 6501 05 08 to BT 0002 11 99.PDF

Satisfied -Name: AAIS BT 6502 05 08 to BT 0003 11 99
Review Status: Approved 06/26/2008

Comments:

Attachment:

AAIS BT 6502 05 08 to BT 0003 11 99.PDF

Satisfied -Name: BT 0116 11 99 to BT 0803 05 08 ar mockup
Review Status: Approved 06/26/2008

Comments:

Attachment:

BT 0116 11 99 to BT 0803 05 08 ar mockup.PDF

Satisfied -Name: CL 0406 04 04 to BT 0903 05 08 ar mockup
Review Status: Approved 06/26/2008

Comments:

Attachment:

CL 0406 04 04 to BT 0903 05 08 ar mockup.PDF

Satisfied -Name: AR Forms Company Action Exhibit
Review Status: Approved 06/26/2008

Comments:

Attachment:

AR Forms Company Action Exhibit.PDF

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only

2. Insurance Department Use only	
a. Date the filing is received:	
b. Analyst:	
c. Disposition:	
d. Date of disposition of the filing:	
e. Effective date of filing:	
New Business	
Renewal Business	
f. State Filing #:	
g. SERFF Filing #:	
h. Subject Codes	

3. Group Name	Group NAIC #
	0000

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
American Association of Insurance Services	DE	31400	36-2021360	

5. Company Tracking Number	AAIS-2008-26F
-----------------------------------	---------------

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Norma Jean Knight 1745 South Naperville Road Wheaton IL 60187-8132	Filings/Compliance Specialist	800-564-2247 Ext. 243	630-681-8356	normak@aaisonline.com

7.	Signature of authorized filer	
8.	Please print name of authorized filer	Norma Jean Knight

Filing Information (see General Instructions for descriptions of these fields)

9.	Type of Insurance (TOI)	09.0 Inland Marine
10.	Sub-Type of Insurance (Sub-TOI)	09.0006 Other Personal Inland Marine
11.	State Specific Product code(s) (if applicable) [See State Specific Requirements]	
12.	Company Program Title (Marketing Title)	Boatowners Program
13.	Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14.	Effective Date(s) Requested	New: 12/01/2008 Renewal: N/A
15.	Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16.	Reference Organization (if applicable)	We are the rating organization
17.	Reference Organization # & Title	
18.	Company's Date of Filing	06/24/08
19.	Status of filing in domicile	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document

20.	This filing transmittal is part of Company Tracking #	AAIS-2008-26F
------------	--	---------------

21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
------------	--

Re: AAIS-2008-26F
 Boatowners Program
 Form and Endorsements

On behalf of our affiliated companies, the American Association of Insurance Services (AAIS) is filing changes to the AAIS Boatowners Program. Our filing consists of new and/or revised coverage forms and endorsements.

The Filing Memorandum provides detailed descriptions of the changes and additions being proposed at this time. Side-by-side comparisons of the current-to-revised countrywide coverage forms and endorsements are included. Copies of all materials are enclosed.

We propose that the filing become effective December 1, 2008. Companies will be advised to take the filing action outlined in the attached company action exhibit.

In a separate companion filing identified as "AAIS-2008-26R" we have submitted new and/or revised manual rules and supplemental rating information.

In a separate companion filing identified as "AAIS-2008-26LC" we have submitted new and/or revised loss costs.

Please be advised that, upon approval, the materials that are the subject of this filing may also be provided to affiliated companies in an electronic format. We will be happy to furnish you the same materials electronically, upon request. Due to differences in printer configurations or other hardware or software differences, the appearance of the materials that are the subject of this filing may be altered slightly when produced by another system. Such alterations will be cosmetic only and will not affect the content of the filed materials.

22.	Filing Fees (Filer must provide check # and fee amount if applicable.) [If a state requires you to show how you calculated your filing fees, place that calculation below]
<p>Check #: Amount: \$500.00</p> <p>Fees submitted via EFT</p> <p style="text-align: center;">Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</p>	

***Refer to each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

FORM FILING SCHEDULE

(This form must be provided **ONLY** when making a filing that includes forms)
 (Do **not** refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	AAIS-2008-26F
-----------	--	---------------

2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	AAIS-2008-26R, AAIS-2008-26LC
-----------	---	-------------------------------

3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	Boatowners Special Form	BT 0100 05 08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	BT 0100 11 99	
02	Punitive Damage Exclusion	BT 1301 05 08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	BT 0010 11 99	
03	Lay-Up Period Limitation	BT 2000 05 08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	BT 0004 11 99	
04	Personal Watercraft Exclusion	BT 2001 05 08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	BT 0009 11 99	
05	Expanded Emergency Service	BT 2500 05 08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	BT 0007 11 99	
06	Personal Effects Coverage	BT 3000 05 08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07	Named Storm Deductible	BT 4500 05 08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08	Agreed Value Settlement Provision	BT 4800 05 08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09	Additional Interests	BT 6000 05 08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	BT 0006 11 99	
10	Additional Insured	BT 6001 05 08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
11	Loss Payee Provision	BT 6002 05 08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	BT 0005 11 99	

FORM FILING SCHEDULE (cont.)State: Arkansas Company Tracking # AAIS-2008-26F Page 2 of 2

3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
12	Agreed Value Loss Payee Provision	BT 6003 05 08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
13	Change Endorsement	BT 6500 05 08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	BT 0001 11 99	
14	Installment Premium Payments	BT 6501 05 08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	BT 0002 11 99	
15	Renewal Plan	BT 6502 05 08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	BT 0003 11 99	
16	Amendatory Endorsement - Arkansas	BT 0803 05 08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	BT 0116 11 99	
17	Policy Conditions - Arkansas	BT 0903 05 08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CL 0406 04 04	

ARKANSAS INSURANCE DEPARTMENT
PROPERTY AND CASUALTY DIVISION

RULE AND REGULATION 29
REVISED CERTIFICATE OF COMPLIANCE

INSURER NAME AND NAIC NUMBER: American Association of Insurance Services
0000-31400

DESCRIPTION: Boatowners Special Form

FORM NUMBER: BT 0100

EDITION DATE: 05 08

This is to certify that the above captioned property and/or
Casualty policy form has achieved a Flesch Reading Ease Test Score of
50.87 , and complies with the requirements of Act 517
of 1981, the Property and Casualty Insurance Policy Simplification
Act, codified as Ark. Code Ann. §§23-80-301—23-80-308, and complies
with Department Rule and Regulation 29.



Signature of Officer of Company

Assistant Vice President, Compliance
Title

If a policy is stored by a method other than the Flesch Reading
Ease Test, the alternate method should be explained in detail.

(Rev. 10-92)

ARKANSAS INSURANCE DEPARTMENT
PROPERTY AND CASUALTY DIVISION

RULE AND REGULATION 29
REVISED CERTIFICATE OF COMPLIANCE

INSURER NAME AND NAIC NUMBER: American Association of Insurance Services
0000-31400

DESCRIPTION: Punitive Damage Exclusion

FORM NUMBER: BT 1301

EDITION DATE: 05 08

This is to certify that the above captioned property and/or
Casualty policy form has achieved a Flesch Reading Ease Test Score of
50.7 , and complies with the requirements of Act 517
of 1981, the Property and Casualty Insurance Policy Simplification
Act, codified as Ark. Code Ann. §§23-80-301—23-80-308, and complies
with Department Rule and Regulation 29.



Signature of Officer of Company

Assistant Vice President, Compliance
Title

If a policy is stored by a method other than the Flesch Reading
Ease Test, the alternate method should be explained in detail.

(Rev. 10-92)

ARKANSAS INSURANCE DEPARTMENT
PROPERTY AND CASUALTY DIVISION

RULE AND REGULATION 29
REVISED CERTIFICATE OF COMPLIANCE

INSURER NAME AND NAIC NUMBER: American Association of Insurance Services
0000-31400

DESCRIPTION: Lay-Up Period Limitation

FORM NUMBER: BT 2000

EDITION DATE: 05 08

This is to certify that the above captioned property and/or
Casualty policy form has achieved a Flesch Reading Ease Test Score of
63.71 , and complies with the requirements of Act 517
of 1981, the Property and Casualty Insurance Policy Simplification
Act, codified as Ark. Code Ann. §§23-80-301—23-80-308, and complies
with Department Rule and Regulation 29.



Signature of Officer of Company

Assistant Vice President, Compliance
Title

If a policy is stored by a method other than the Flesch Reading
Ease Test, the alternate method should be explained in detail.

(Rev. 10-92)

ARKANSAS INSURANCE DEPARTMENT
PROPERTY AND CASUALTY DIVISION

RULE AND REGULATION 29
REVISED CERTIFICATE OF COMPLIANCE

INSURER NAME AND NAIC NUMBER: American Association of Insurance Services
0000-31400

DESCRIPTION: Personal Watercraft Exclusion

FORM NUMBER: BT 2001

EDITION DATE: 05 08

This is to certify that the above captioned property and/or
Casualty policy form has achieved a Flesch Reading Ease Test Score of
50.67 , and complies with the requirements of Act 517
of 1981, the Property and Casualty Insurance Policy Simplification
Act, codified as Ark. Code Ann. §§23-80-301—23-80-308, and complies
with Department Rule and Regulation 29.



Signature of Officer of Company

Assistant Vice President, Compliance
Title

If a policy is stored by a method other than the Flesch Reading
Ease Test, the alternate method should be explained in detail.

(Rev. 10-92)

ARKANSAS INSURANCE DEPARTMENT
PROPERTY AND CASUALTY DIVISION

RULE AND REGULATION 29
REVISED CERTIFICATE OF COMPLIANCE

INSURER NAME AND NAIC NUMBER: American Association of Insurance Services
0000-31400

DESCRIPTION: Expanded Emergency Service

FORM NUMBER: BT 2500

EDITION DATE: 05 08

This is to certify that the above captioned property and/or
Casualty policy form has achieved a Flesch Reading Ease Test Score of
57.97 , and complies with the requirements of Act 517
of 1981, the Property and Casualty Insurance Policy Simplification
Act, codified as Ark. Code Ann. §§23-80-301—23-80-308, and complies
with Department Rule and Regulation 29.



Signature of Officer of Company

Assistant Vice President, Compliance
Title

If a policy is stored by a method other than the Flesch Reading
Ease Test, the alternate method should be explained in detail.

(Rev. 10-92)

ARKANSAS INSURANCE DEPARTMENT
PROPERTY AND CASUALTY DIVISION

RULE AND REGULATION 29
REVISED CERTIFICATE OF COMPLIANCE

INSURER NAME AND NAIC NUMBER: American Association of Insurance Services
0000-31400

DESCRIPTION: Personal Effects Coverage

FORM NUMBER: BT 3000

EDITION DATE: 05 08

This is to certify that the above captioned property and/or
Casualty policy form has achieved a Flesch Reading Ease Test Score of
56.92 , and complies with the requirements of Act 517
of 1981, the Property and Casualty Insurance Policy Simplification
Act, codified as Ark. Code Ann. §§23-80-301—23-80-308, and complies
with Department Rule and Regulation 29.



Signature of Officer of Company

Assistant Vice President, Compliance
Title

If a policy is stored by a method other than the Flesch Reading
Ease Test, the alternate method should be explained in detail.

(Rev. 10-92)

ARKANSAS INSURANCE DEPARTMENT
PROPERTY AND CASUALTY DIVISION

RULE AND REGULATION 29
REVISED CERTIFICATE OF COMPLIANCE

INSURER NAME AND NAIC NUMBER: American Association of Insurance Services
0000-31400

DESCRIPTION: Named Storm Deductible

FORM NUMBER: BT 4500

EDITION DATE: 05 08

This is to certify that the above captioned property and/or
Casualty policy form has achieved a Flesch Reading Ease Test Score of
63.86 , and complies with the requirements of Act 517
of 1981, the Property and Casualty Insurance Policy Simplification
Act, codified as Ark. Code Ann. §§23-80-301—23-80-308, and complies
with Department Rule and Regulation 29.



Signature of Officer of Company

Assistant Vice President, Compliance
Title

If a policy is stored by a method other than the Flesch Reading
Ease Test, the alternate method should be explained in detail.

(Rev. 10-92)

ARKANSAS INSURANCE DEPARTMENT
PROPERTY AND CASUALTY DIVISION

RULE AND REGULATION 29
REVISED CERTIFICATE OF COMPLIANCE

INSURER NAME AND NAIC NUMBER: American Association of Insurance Services
0000-31400

DESCRIPTION: Agreed Value Settlement Provision

FORM NUMBER: BT 4800

EDITION DATE: 05 08

This is to certify that the above captioned property and/or
Casualty policy form has achieved a Flesch Reading Ease Test Score of
66.19 , and complies with the requirements of Act 517
of 1981, the Property and Casualty Insurance Policy Simplification
Act, codified as Ark. Code Ann. §§23-80-301—23-80-308, and complies
with Department Rule and Regulation 29.



Signature of Officer of Company

Assistant Vice President, Compliance
Title

If a policy is stored by a method other than the Flesch Reading
Ease Test, the alternate method should be explained in detail.

(Rev. 10-92)

ARKANSAS INSURANCE DEPARTMENT
PROPERTY AND CASUALTY DIVISION

RULE AND REGULATION 29
REVISED CERTIFICATE OF COMPLIANCE

INSURER NAME AND NAIC NUMBER: American Association of Insurance Services
0000-31400

DESCRIPTION: Additional Interests

FORM NUMBER: BT 6000

EDITION DATE: 05 08

This is to certify that the above captioned property and/or
Casualty policy form has achieved a Flesch Reading Ease Test Score of
50.63 , and complies with the requirements of Act 517
of 1981, the Property and Casualty Insurance Policy Simplification
Act, codified as Ark. Code Ann. §§23-80-301—23-80-308, and complies
with Department Rule and Regulation 29.



Signature of Officer of Company

Assistant Vice President, Compliance
Title

If a policy is stored by a method other than the Flesch Reading
Ease Test, the alternate method should be explained in detail.

(Rev. 10-92)

ARKANSAS INSURANCE DEPARTMENT
PROPERTY AND CASUALTY DIVISION

RULE AND REGULATION 29
REVISED CERTIFICATE OF COMPLIANCE

INSURER NAME AND NAIC NUMBER: American Association of Insurance Services
0000-31400

DESCRIPTION: Additional Insured

FORM NUMBER: BT 6001

EDITION DATE: 05 08

This is to certify that the above captioned property and/or
Casualty policy form has achieved a Flesch Reading Ease Test Score of
57.79 , and complies with the requirements of Act 517
of 1981, the Property and Casualty Insurance Policy Simplification
Act, codified as Ark. Code Ann. §§23-80-301—23-80-308, and complies
with Department Rule and Regulation 29.



Signature of Officer of Company

Assistant Vice President, Compliance
Title

If a policy is stored by a method other than the Flesch Reading
Ease Test, the alternate method should be explained in detail.

(Rev. 10-92)

ARKANSAS INSURANCE DEPARTMENT
PROPERTY AND CASUALTY DIVISION

RULE AND REGULATION 29
REVISED CERTIFICATE OF COMPLIANCE

INSURER NAME AND NAIC NUMBER: American Association of Insurance Services
0000-31400

DESCRIPTION: Loss Payee Provision

FORM NUMBER: BT 6002

EDITION DATE: 05 08

This is to certify that the above captioned property and/or
Casualty policy form has achieved a Flesch Reading Ease Test Score of
57.79 , and complies with the requirements of Act 517
of 1981, the Property and Casualty Insurance Policy Simplification
Act, codified as Ark. Code Ann. §§23-80-301—23-80-308, and complies
with Department Rule and Regulation 29.



Signature of Officer of Company

Assistant Vice President, Compliance
Title

If a policy is stored by a method other than the Flesch Reading
Ease Test, the alternate method should be explained in detail.

(Rev. 10-92)

ARKANSAS INSURANCE DEPARTMENT
PROPERTY AND CASUALTY DIVISION

RULE AND REGULATION 29
REVISED CERTIFICATE OF COMPLIANCE

INSURER NAME AND NAIC NUMBER: American Association of Insurance Services
0000-31400

DESCRIPTION: Agreed Value Loss Payee Provision

FORM NUMBER: BT 6003

EDITION DATE: 05 08

This is to certify that the above captioned property and/or
Casualty policy form has achieved a Flesch Reading Ease Test Score of
62.07 , and complies with the requirements of Act 517
of 1981, the Property and Casualty Insurance Policy Simplification
Act, codified as Ark. Code Ann. §§23-80-301—23-80-308, and complies
with Department Rule and Regulation 29.



Signature of Officer of Company

Assistant Vice President, Compliance
Title

If a policy is stored by a method other than the Flesch Reading
Ease Test, the alternate method should be explained in detail.

(Rev. 10-92)

ARKANSAS INSURANCE DEPARTMENT
PROPERTY AND CASUALTY DIVISION

RULE AND REGULATION 29
REVISED CERTIFICATE OF COMPLIANCE

INSURER NAME AND NAIC NUMBER: American Association of Insurance Services
0000-31400

DESCRIPTION: Change Endorsement

FORM NUMBER: BT 6500

EDITION DATE: 05 08

This is to certify that the above captioned property and/or
Casualty policy form has achieved a Flesch Reading Ease Test Score of
50.37 , and complies with the requirements of Act 517
of 1981, the Property and Casualty Insurance Policy Simplification
Act, codified as Ark. Code Ann. §§23-80-301—23-80-308, and complies
with Department Rule and Regulation 29.



Signature of Officer of Company

Assistant Vice President, Compliance
Title

If a policy is stored by a method other than the Flesch Reading
Ease Test, the alternate method should be explained in detail.

(Rev. 10-92)

ARKANSAS INSURANCE DEPARTMENT
PROPERTY AND CASUALTY DIVISION

RULE AND REGULATION 29
REVISED CERTIFICATE OF COMPLIANCE

INSURER NAME AND NAIC NUMBER: American Association of Insurance Services
0000-31400

DESCRIPTION: Installment Premium Payments

FORM NUMBER: BT 6501

EDITION DATE: 05 08

This is to certify that the above captioned property and/or
Casualty policy form has achieved a Flesch Reading Ease Test Score of
54.57 , and complies with the requirements of Act 517
of 1981, the Property and Casualty Insurance Policy Simplification
Act, codified as Ark. Code Ann. §§23-80-301—23-80-308, and complies
with Department Rule and Regulation 29.



Signature of Officer of Company

Assistant Vice President, Compliance
Title

If a policy is stored by a method other than the Flesch Reading
Ease Test, the alternate method should be explained in detail.

(Rev. 10-92)

ARKANSAS INSURANCE DEPARTMENT
PROPERTY AND CASUALTY DIVISION

RULE AND REGULATION 29
REVISED CERTIFICATE OF COMPLIANCE

INSURER NAME AND NAIC NUMBER: American Association of Insurance Services
0000-31400

DESCRIPTION: Renewal Plan

FORM NUMBER: BT 6502

EDITION DATE: 05 08

This is to certify that the above captioned property and/or
Casualty policy form has achieved a Flesch Reading Ease Test Score of
52.42 , and complies with the requirements of Act 517
of 1981, the Property and Casualty Insurance Policy Simplification
Act, codified as Ark. Code Ann. §§23-80-301—23-80-308, and complies
with Department Rule and Regulation 29.



Signature of Officer of Company

Assistant Vice President, Compliance
Title

If a policy is stored by a method other than the Flesch Reading
Ease Test, the alternate method should be explained in detail.

(Rev. 10-92)

ARKANSAS INSURANCE DEPARTMENT
PROPERTY AND CASUALTY DIVISION

RULE AND REGULATION 29
REVISED CERTIFICATE OF COMPLIANCE

INSURER NAME AND NAIC NUMBER: American Association of Insurance Services
0000-31400

DESCRIPTION: Amendatory Endorsement - Arkansas

FORM NUMBER: BT 0803

EDITION DATE: 05 08

This is to certify that the above captioned property and/or
Casualty policy form has achieved a Flesch Reading Ease Test Score of
52.19 , and complies with the requirements of Act 517
of 1981, the Property and Casualty Insurance Policy Simplification
Act, codified as Ark. Code Ann. §§23-80-301—23-80-308, and complies
with Department Rule and Regulation 29.



Signature of Officer of Company

Assistant Vice President, Compliance
Title

If a policy is stored by a method other than the Flesch Reading
Ease Test, the alternate method should be explained in detail.

(Rev. 10-92)

ARKANSAS INSURANCE DEPARTMENT
PROPERTY AND CASUALTY DIVISION

RULE AND REGULATION 29
REVISED CERTIFICATE OF COMPLIANCE

INSURER NAME AND NAIC NUMBER: American Association of Insurance Services
0000-31400

DESCRIPTION: Policy Conditions - Arkansas

FORM NUMBER: BT 0903

EDITION DATE: 05 08

This is to certify that the above captioned property and/or
Casualty policy form has achieved a Flesch Reading Ease Test Score of
54.25 , and complies with the requirements of Act 517
of 1981, the Property and Casualty Insurance Policy Simplification
Act, codified as Ark. Code Ann. §§23-80-301—23-80-308, and complies
with Department Rule and Regulation 29.



Signature of Officer of Company

Assistant Vice President, Compliance
Title

If a policy is stored by a method other than the Flesch Reading
Ease Test, the alternate method should be explained in detail.

(Rev. 10-92)

ARKANSAS INSURANCE DEPARTMENT

FORM FILING ABSTRACT

ALL QUESTIONS MUST BE ANSWERED

Companies filing for a group may use a consolidated abstract if all forms are identical.

1. Date Filed 06/24/08

2. Company Name(s) American Association of Insurance Services

Group Name _____ NAIC No. 31400 Group No. 0000

3. (a) Annual Statement Line of Business Number (Page 14) 09.0 Inland Marine

(b) Class of Business 09.0006 Other Personal Inland Marine

© Coverages Affected Boatowners

4. (a) Name of Advisory Organization, if any We are the rating organization

(b) Affiliations with Advisory Organization: Member () Subscriber ()

5. Is this a reference filing? Yes () No () If yes, please provide the following:

(a) Name of Advisory Organization (or Affiliated Company)

(b) Date of Filing _____

© Filing Designation Number or Description _____

PROVIDE THE INFORMATION REQUESTED ON PAGE 2 OF THIS FORM

7. Has the form(s) been approved for use in your domiciliary state and/or other states?

Pending

8. Is the form filed in response to or due to legislation? If so, specify legislation.

No

9. Is the form in response to or due to recent court decisions? If so, give citation.

No

THIS INFORMATION IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Norma Jean Knight

Signature

Norma Jean Knight

Title

630-681-8347

Telephone Number

Page 2 of 2

Old Form No.	Proposed Effective Date of New Form	New Form No.	Title of the Form(s); also Indicate Withdrawals: Provide Synopsis of Coverage
BT 0100 11 99	12/01/08	BT 0100 05 08	Boatowners Special Form
BT 0010 11 99	12/01/08	BT 1301 05 08	Punitive Damage Exclusion
BT 0004 11 99	12/01/08	BT 2000 05 08	Lay-Up Period Limitation
BT 0009 11 99	12/01/08	BT 2001 05 08	Personal Watercraft Exclusion
BT 0007 11 99	12/01/08	BT 2500 05 08	Expanded Emergency Service
	12/01/08	BT 3000 05 08	Personal Effects Coverage
	12/01/08	BT 4500 05 08	Named Storm Deductible
	12/01/08	BT 4800 05 08	Agreed Value Settlement Provision
BT 0006 11 99	12/01/08	BT 6000 05 08	Additional Interests
	12/01/08	BT 6001 05 08	Additional Insured
BT 0005 11 99	12/01/08	BT 6002 05 08	Loss Payee Provision
	12/01/08	BT 6003 05 08	Agreed Value Loss Payee Provision
BT 0001 11 99	12/01/08	BT 6500 05 08	Change Endorsement
BT 0002 11 99	12/01/08	BT 6501 05 08	Installment Premium Payments

BT 0003 11 99	12/01/08	BT 6502 05 08	Renewal Plan
BT 0116 11 99	12/01/08	BT 0803 05 08	Amendatory Endorsement - Arkansas
CL 0406 04 04	12/01/08	BT 0903 05 08	Policy Conditions - Arkansas

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
COUNTRYWIDE BOATOWNERS PROGRAM
FORMS AND ENDORSEMENTS
FILING MEMORANDUM**

The American Association of Insurance Services (AAIS) is filing a revised Boatowners Program, consisting of revised and new Boatowners forms and endorsements. AAIS is also filing two companion filings: one for a revised manual of rules and factor rating information; and another for loss cost rating information.

The revised Boatowners Special Form and the new and revised Boatowners endorsements contain an 05 08 edition date. Exhibit A identifies the number of each proposed form and endorsement as well as the number of its current counterpart, if any. Exhibit A also identifies forms not applicable with the revised Boatowners Program.

The revised Boatowners Special Form includes the provisions previously found in the additional policy conditions endorsement with the exception of the cancellation and non-renewal provision. The cancellation and non-renewal provision is now found in the policy conditions endorsement. A state amendatory endorsement (if any) will be used to amend the Boatowners Special Form to comply with legislative requirements. Exhibit B identifies the revised or new amendatory endorsements and policy conditions endorsement. Retained forms, if applicable, will be displayed on Exhibit C. Copies of the retained forms are enclosed with this filing for informational purposes.

With this memorandum, a description of the significant changes to each revised form and endorsement is provided. Descriptions are also provided for all new endorsements. Copies of the countrywide forms and endorsements being submitted for approval are enclosed with this filing. Also attached are full comparisons of all revised forms and endorsements.

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
COUNTRYWIDE BOATOWNERS PROGRAM
FORMS AND ENDORSEMENTS
FILING MEMORANDUM**

BOATOWNERS SPECIAL FORM (BT 0100 05 08 replaces BT 0100 11 99)

Agreement

The reference to specific coverages, property and liability, are removed from the agreement.

Definitions

Newly-Defined Words and Phrases

The proposed form defines the term "actual cash value". Actual cash value is defined as the cost to replace property using materials of like kind and quality to the extent practical less a deduction for depreciation. While actual cash value is not defined in the current form, the How Much We Pay includes the sentence, "Actual cash value includes a deduction for depreciation, however caused."

The term "boating equipment" is defined. The term includes items that are used for the operation, maintenance or navigation of the boat as well as marine electronics and items intended to be towed by a boat.

"Business" is a defined term under the proposed form. The definition includes any trade profession or occupation. Entertainment of business clients is not considered "business". The term replaces the more narrowly defined "boat business" throughout the form.

Words and Phrases That Are No Longer Defined

The following words and phrases are not defined in the proposed forms:

- Coastal waters
- Boat business
- Substitute boat

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
COUNTRYWIDE BOATOWNERS PROGRAM
FORMS AND ENDORSEMENTS
FILING MEMORANDUM**

Revised Definitions

Changes to the definition of the term "bodily injury" include the following:

- The definition for bodily injury no longer states that bodily injury does not include bodily harm, sickness, disease, or death that arises out of communicable disease; actual, alleged, or threatened sexual molestation; physical abuse; corporal punishment; or the use, etc. of controlled substances. However, the proposed form excludes these injuries under Exclusions That Apply To Coverage X -- Personal Liability And Coverage Y -- Medical Payments.

The term "covered property" no longer includes "substitute boats".

The definition of "insured" with respect to Coverage X and Coverage Y does not include persons using or caring for covered property in the course of any business. The current form excludes those using or caring for covered property in the course of *boat* business.

The definition of "motor" now includes batteries.

Changes to the definition for "non-owned boat" include the following:

- Boats up to 30 feet in length are included in the definition of non-owned boats. The current form limits the length to 26 feet.
- Boats, motors, or boat trailers owned by or available for the regular use of an insured are not included in the definition of non-owned boats.

Examples of personal watercraft are added to the definition.

Property Coverages

Principal Property Covered

The proposed form states that there is coverage for *direct physical loss* to the property.

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
COUNTRYWIDE BOATOWNERS PROGRAM
FORMS AND ENDORSEMENTS
FILING MEMORANDUM**

Property Not Covered

This section has been added to the form to clarify that property used for or involved in either business or racing and stunt activity is not covered property. Under the current form, these are exclusions. Property Not Covered includes:

- Property used in "business". Under the current form, an exclusion applied to boats used in "boat business".
- Property involved in racing and stunt activity including impromptu races and speed contests. Pushing, pulling, and demolition are no longer part of the exclusion. A definition for race has been added to the exclusion.
- "Boats" used as a primary or permanent residence.

Additional Property Coverages

Boating Equipment

Boating Equipment replaces Miscellaneous Property under the Additional Property Coverages. Coverage is provided for items that are used for the operation, maintenance, or navigation of the boat as well as marine electronics and items intended to be towed by a boat.

Under the current form, in addition to the items included as boating equipment, miscellaneous property included personal items owned by an insured and their guests. Coverage for these items is now available under the optional Personal Effects Coverage.

The proposed form provides \$2,500 in coverage for boating equipment unless it is in, on, or cast overboard from a personal watercraft in which case the limit is \$500. Under the current form, the limit is \$1,500 and \$500 respectively for miscellaneous property.

Substitute Boats and Non-owned Boats

With the proposed form, coverage for physical damage to substitute boats and non-owned boats under the Additional Property Coverages has been removed.

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
COUNTRYWIDE BOATOWNERS PROGRAM
FORMS AND ENDORSEMENTS
FILING MEMORANDUM**

Newly Acquired Property

The following changes are made to the coverage for Newly Acquired Property:

- The allowable length of a boat has been increased from 26 feet to 30 feet.
- The limit applicable to newly acquired property is \$25,000.

Emergency Service

The following changes apply to the Emergency Service coverage:

- With the proposed form, there is a requirement that the costs be *reasonable*.
- The coverage now applies to the disablement of a motor.
- In addition, the emergency service limit is increased from \$50 to \$500.

Covered Losses

Coverages in form BT 0100 are provided on an 'open perils' basis, meaning that coverage is provided for risks of direct physical loss not specifically excluded. Thus, the 'perils' that apply to the coverages in this form actually consist of *exclusions*. All exclusions apply regardless of other causes or events that contribute to or aggravate the loss. Titles have been added to more easily locate and identify the exclusions. Changes to those exclusions are described below.

Exclusions That Apply To Property Coverages

Animals And Marine Life -- The exclusion now applies to all animals including but not limited to birds, vermin, rodents, insects, and animals owned by an insured in addition to marine life.

Bubbling And Delamination -- Losses resulting from bubbling and delamination are not covered under this new exclusion.

Contamination Or Deterioration -- This exclusion has been expanded to include weathering, decay, bacteria, fungi, wet rot, and dry rot.

Criminal Acts -- This exclusion has been expanded from *illicit transportation or trade* to include any criminal act of an insured.

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
COUNTRYWIDE BOATOWNERS PROGRAM
FORMS AND ENDORSEMENTS
FILING MEMORANDUM**

Freezing Or Overheating -- The exclusion for loss caused by freezing and overheating is expanded to include ice, thawing, or sudden changes in temperature.

Intentional Acts -- A provision has been added specifying that the exclusion applies whether the insured acted alone or in collusion with another. In addition, the exclusion has been clarified by the addition of a statement indicating that it applies even with respect to insureds who were not involved in the commission or direction of the act that caused the loss.

War Or Military Action -- The title of the exclusion has been changed to reflect changes to its scope.

- The exclusion now applies to loss caused by warlike action by a military force by any government, sovereign, or other authority using military personnel or other agents, and also to loss caused by action in hindering or defending against an actual or expected attack.
- The exclusion now applies to loss caused by usurped power, and also to loss caused by action taken by governmental authority in hindering or defending against insurrection, rebellion, revolution, or usurped power.
- A provision has been added specifying that the War Or Military Action exclusion supersedes the Nuclear Hazard exclusion.

Liability Coverages

Principal Liability Coverages

Coverage X -- Personal Liability -- The proposed form specifies the occurrence must arise out of the *ownership, maintenance, or use of covered property* and defense coverage will be provided at the company's expense by counsel that it chooses.

Additional Liability Coverages

With the proposed BT 0100, the Additional Liability Coverages are changed as follows:

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
COUNTRYWIDE BOATOWNERS PROGRAM
FORMS AND ENDORSEMENTS
FILING MEMORANDUM**

Claims And Defense Cost

- Coverage is now granted for the cost of premiums on *required* bonds, as opposed to premiums for appeal bonds, bonds for the release of attachments, and bail bonds.
- Coverage for earnings lost by an insured while away from work at the company's request has been increased from \$50 per day to \$250 per day, per insured. In addition, a provision was added specifying that payment for loss of earnings does not include loss of any other income.
- The provision granting coverage for interest on a judgment that accrues after its entry specifies that the company will pay interest on the *entire* judgment that accrues after its entry.

Removal Of Wrecked Or Sunken Property

- The title has been changed to more accurately describe the coverage that is provided.
- The costs incurred must be reasonable.
- Under the provision, there is no coverage for non-owned boats.
- The limit for the coverage is 25% of the Coverage X limit.

Exclusions That Apply To Coverage X -- Personal Liability and Coverage Y --
Medical Payments

Abuse -- The exclusion incorporates sexual molestation, mental and physical abuse, and corporal punishment. As noted in the description of the changes to the definition of "bodily injury", this is now an exclusion rather than part of the definition of "bodily injury". The exclusion applies to property damage as well as bodily injury.

Communicable Diseases -- The exclusion for bodily injury arising out of communicable diseases is now set forth under the Exclusions That Apply To Coverage X And Coverage Y rather than within the definition of "bodily injury". In addition, the exclusion now specifies that it applies to the *transmission* of a communicable disease *by an insured*. The exclusion applies to property damage as well as bodily injury.

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
COUNTRYWIDE BOATOWNERS PROGRAM
FORMS AND ENDORSEMENTS
FILING MEMORANDUM**

Controlled Substances -- The exclusion for bodily injury arising out of controlled substances is now set forth under the Exclusions That Apply To Coverage X And Coverage Y rather than within the definition of "bodily injury". In addition, the exclusion now applies to property damage as well as bodily injury.

Criminal Acts -- The Criminal Acts exclusion has been separated from the Intentional Acts exclusion. Illegal transportation and trade is now located within this exclusion.

Intentional Acts -- Changes to the Intentional Acts exclusion include:

- The proposed form specifies that an intentional act *includes but is not limited to* acts that are *expected, directed, or intended* by an insured.
- The exclusion applies to damages suffered by *entities* and *property* in addition to damages suffered by persons.
- The exception for bodily injury and property damage that arises out of the use of reasonable force to protect people or property specifies that it pertains to the use of reasonable force *by an insured*.

Parasailing Or Kite Skiing -- The exclusion is expanded to incorporate *any bodily injury or property damage* rather than applying only to injuries sustained by a person in or on a device designed for flight.

Pollution Damage -- The proposed form specifies that emission, leaching, and spillage of pollutants are excluded. There is coverage if the emission, leaching, and spillage are sudden and accidental.

Racing Or Speed Tests -- Damages that occur during impromptu races and speed contests are excluded. There is also no coverage when qualifying for a race. Pushing, pulling, and demolition are no longer part of the exclusion. A definition for race has been added to the exclusion.

War Or Military Action -- The exclusion now applies to bodily injury and property damage caused by warlike action by a military force by any government, sovereign, or other authority using military personnel or other agents, and also to bodily injury and property damage caused by action in hindering or defending against an actual or expected attack. In addition, the exclusion now applies to bodily injury and property damage caused by usurped power, and also to bodily injury and property damage caused by action taken by governmental authority in hindering or defending against insurrection, rebellion, revolution, or usurped power.

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
COUNTRYWIDE BOATOWNERS PROGRAM
FORMS AND ENDORSEMENTS
FILING MEMORANDUM**

Additional Exclusions That Apply Only To Coverage X -- Personal Liability

Property Owned, Occupied, Used, Or Rented -- In the proposed form, this exclusion has been expanded to preclude coverage for property damage to property owned by an insured.

Uninsured Boater Coverage

Coverage

The proposed form clarifies that Uninsured Boater coverage provides coverage for damages arising out of the *ownership, maintenance, or use* of any uninsured boat.

Exclusions That Apply To Coverage Z -- Uninsured Boater

Business Pursuits -- The exclusion for boat business has been removed and replaced by the broader Business Pursuits exclusion. The exclusion applies when the boat is being used in any business as opposed to strictly those businesses associated with boats.

Criminal Acts -- An exclusion has been added to the proposed form for injuries sustained while a person is involved in a criminal or illegal act.

Owned Or Rented Property -- Under the proposed form, Uninsured Boater coverage does not apply to a person occupying or struck by a boat owned by, *rented to, or available for the regular use of* an insured.

Racing Or Speed Tests -- The exclusion in the proposed form is expanded to include injuries sustained while a person is participating in impromptu races or speed tests.

Settled Claims -- The proposed form specifies that the exclusion applies when a person or that person's representative settles a claim with *any person who may be liable*.

Arbitration -- Coverage Z -- Uninsured Boater

Conditions For Arbitration -- Either party may make a written *request* for arbitration rather than a written *demand*. The proposed form states that both parties must agree to arbitrate the dispute.

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
COUNTRYWIDE BOATOWNERS PROGRAM
FORMS AND ENDORSEMENTS
FILING MEMORANDUM**

Arbitrators Decision -- In the proposed form, arbitration is not binding. The form clarifies that arbitrators cannot award more than the limits that are available under the Uninsured Boater coverage.

Expenses -- The proposed form specifies that any expenses will be shared equally by the parties.

What Must Be Done In Case Of Loss

The provisions set forth in this section of the form are now separated into three distinct groups: one applicable to All Coverages, one applicable to Property Coverages and the last applicable to Liability Coverages.

Duties -- All Coverages

Notice To Others -- In the proposed form, losses involving disappearance of a person from the boat; loss of life; or theft, vandalism, or other criminal acts require notice to the U.S. Coast Guard, police, or other local authority.

Other Duties -- Property Coverages

Examination Under Oath -- The form sets forth that the statement be signed at the company's request.

Show Damaged Property -- The proposed form states that the company shall be allowed to inspect and take samples of the property for inspection, testing, and analysis. There is no requirement for the insured to show undamaged property.

How Much We Pay

Property Coverages

All losses are settled on an actual cash value basis. The amount of payment will be the lesser of the actual cash value; the amount spent to repair or replace the damaged property with material of like kind and quality according to manufacturer's specifications or accepted repair practices; and any policy limit that applies. The current form provides settlement valuation for total losses on an agreed value basis.

Deductible - More Than One Boat -- The proposed form specifies that if multiple boats are insured under the form, a deductible applies to each boat and its motor and trailer.

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
COUNTRYWIDE BOATOWNERS PROGRAM
FORMS AND ENDORSEMENTS
FILING MEMORANDUM**

The provision for *Breakage of Glass* is no longer included in the form.

The provision for *Loss Settlement Terms - Other Boats* is no longer incorporated in the form as there is no coverage under Property Coverages for damage to boats other than those described on the declarations with the exception of the coverage for Newly Acquired Boats provided under Additional Property Coverages.

Liability Coverages

Coverage X -- Personal Liability -- The limit shown on the declarations for Coverage X -- Personal Liability, is the most that is paid for each occurrence. In the proposed form, motors, boat trailers as well as policy periods involved have been added to the itemized list that clarifies the number of persons, boats, motors, trailers, etc does not affect the limit shown on the declarations.

Further, the proposed form specifies that all bodily injury and property damage arising out of one accident or out of repeated exposures to similar conditions is considered one occurrence. This supports the definition of the term "occurrence" which is defined as repeated exposures to similar conditions, resulting in bodily injury or property damage during the policy period.

Coverage Y -- Medical Payments -- The proposed form clarifies that a reduction in the amount paid or payable under Coverage Y will be made for the same amount paid or payable under Coverage X or Coverage Z.

Under the proposed form, Medical Payments coverage is based on a per person limit with no per accident limit.

Coverage Z -- Uninsured Boater

The limit shown on the declarations for Coverage Z -- Uninsured Boater, is the most that is paid for each occurrence. In the proposed form, motors, boat trailers as well as policy periods involved have been added to the itemized list that clarifies the number of persons, boats, motors, trailers, etc does not affect the limit shown on the declarations.

Insurance Under More Than One Coverage

The proposed form states that the company will not pay more than the *actual claim, loss or damage sustained*.

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
COUNTRYWIDE BOATOWNERS PROGRAM
FORMS AND ENDORSEMENTS
FILING MEMORANDUM**

Insurance Under More Than One Policy

In the proposed form, if the other insurance is specifically written as excess, the limit of this form applies first.

Coverage Y -- Medical Payments coverage is excess over any other insurance for all insureds. Under the current form, insurance under Coverage Y is only excess for the named insured, resident relatives and persons under 21 years of age in the care of one of these individuals.

Payment Of Loss Or Claim

Your Property

The proposed form extends the allowable time period for payment of a loss by the company from 30 days to 60 days. Also, under the proposed form, payment may be made to a loss payee if that person or organization is entitled to payment even if they are not named as a loss payee.

Coverage Y -- Medical Payments

The proposed form adds a provision that allows for the payment of medical expenses to the injured person, their representative or the provider of medical services.

Additional Exclusions And Limitations

Fines, Penalties, Or Tax Liens

The proposed form extends the exclusion for fines, penalties or taxes found in the liability section of the current form to be applicable to the entire form. Under this provision, violations of law or government assessments are not covered. Also the proposed form specifies that this exclusion applies to *tax liens* as opposed to *taxes*.

Seaworthiness Warranty

The proposed form introduces a seaworthiness warranty. This requires that the boat be in a safe or navigable condition. No coverage is provided for a loss caused by a failure to maintain the property in a seaworthy condition.

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
COUNTRYWIDE BOATOWNERS PROGRAM
FORMS AND ENDORSEMENTS
FILING MEMORANDUM**

Other Policy Conditions

Conditions That Apply To All Coverages

The proposed form incorporates conditions for Assignment and Change, and Modification Or Waiver Of Policy Terms. Under the current program, these conditions are located on the primary form if the Boatowners form is written as an endorsement to a personal lines policy or on an amendatory endorsement, CL 0400, when written as a monoline policy.

Change, Modification, Or Waiver Of Policy Terms -- The provision addressing policies with no expiration date has been omitted.

Liberalization -- The application of the Liberalization clause is based on the state in which the insured resides rather than the state in which the boat is normally kept. This clause only applies to changes in coverage during the policy term.

Misrepresentation, Concealment, Or Fraud -- In the current form, misrepresentation, concealment, or fraud on the part of an insured causes the policy to be void. With the proposed form, coverage is denied to all insureds including those not involved in the concealment, misrepresentation, or fraud. Also, the provision no longer makes reference to the concealment or misrepresentation of an insured's interest (because they are encompassed by the statements regarding material facts and circumstances and false swearing).

Subrogation -- The condition now specifies that if the company requires an assignment, the insured must sign and return all related documents and otherwise cooperate with the company. In the proposed form, the company is not liable for losses if an insured impairs the company's right to recover, but only to the extent that the right is impaired.

Territory -- A new condition, Territory, has been added. Along with this, the navigation limit includes up to 100 miles. Personal watercraft is restricted to 10 miles.

Conditions That Apply Only To Property Coverages

Appraisal -- As previously noted, all damages are settled on an actual cash value basis; reference to the cost to replace the property is removed.

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
COUNTRYWIDE BOATOWNERS PROGRAM
FORMS AND ENDORSEMENTS
FILING MEMORANDUM**

Inspections -- The condition for Inspections is located in the CL 0400 in the current program. It is now located in the Boatowners Special Form. The proposed form clarifies that an inspection does not warrant that the property is seaworthy. In the proposed form the word "healthful" is removed and replaced with language specifying that an inspection does not warrant that the property is free of fungi, bacteria, pollutants or other toxins that may be hazardous to your health.

No Benefit To Bailee -- The Benefit To Others condition is replaced by the more specific No Benefit To Bailee.

ENDORSEMENTS

The following is a summary that describes the significant changes to endorsements applicable to the Boatowners Program. Note that the comments describe the differences between the current and proposed *countrywide* endorsements and do not reflect any state-specific variations.

BT 1301, Punitive Damage Exclusion (replaces BT 0010) -- The exclusion now includes a definition of "punitive or exemplary" damages.

BT 2000, Lay-Up Period Limitation (replaces BT 0004) -- A title change has been made to clearly identify that the endorsement is a coverage limitation. The proposed form clarifies there is no coverage afforded if the boat is being used for navigation during the lay-up period. Also, the extension of coverage for 15 days at the beginning and end of the lay-up period in the current form has been removed.

BT 2001, Personal Watercraft Exclusion (replaces BT 0009) -- As in the Boatowners Special Form, the definition for "boat business" is replaced with a definition for "business".

BT 2500, Expanded Emergency Service (replaces BT 0007) -- The title of the endorsement now includes the word "Expanded" to clarify that the coverage under the endorsement is broader than that under the Emergency Service in Additional Property Coverages in the Boatowners Special Form. Coverage is provided for disablement of the boat trailer.

BT 6000, Additional Interests (replaces BT 0006) -- Changes to the endorsement are of an editorial and formatting nature only.

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
COUNTRYWIDE BOATOWNERS PROGRAM
FORMS AND ENDORSEMENTS
FILING MEMORANDUM**

BT 6002, Loss Payee Provision (replaces BT 0005) -- A schedule has been added to the endorsement to identify the loss payee and the property in which the loss payee has an interest. In addition, the following changes have been made to the loss payee provision:

- The proposed form provides for a continuation of coverage for the loss payee when the form may be void due to an insured's acts. In contrast, the current form provides that a denial of a claim does not apply to a valid claim of a loss payee.
- The proposed form does not provide coverage if the loss payee is aware of changes in ownership or a substantial change in risk and does not notify the company.
- A Limit Of Liability provision has been added. This limits the payment to the loss payee to the lesser of the actual cash value, the unpaid balance of any loan for the property, the cost to repair or replace the property, and the limit shown on the declarations.
- A Payment Of Premium provision has been added. Under this provision, the company may request payment of the premium by the loss payee if the insured fails to pay the premium.
- Also added is the Our Right To Collect Debt provision. This provision provides that if payment is made to a loss payee when the insurance may be void, the company is entitled to collect the debt owed to the loss payee by the insured.

Endorsements with Form Number Change Only

The following forms are replacement forms with the only change being the form number:

BT 6500, Change Endorsement (replaces BT 0001)
BT 6501, Installment Premium Payments (replaces BT 0002)
BT 6502, Renewal Plan (replaces BT 0003)

New Endorsements

The following endorsements will be introduced with the program:

BT 3000, Personal Effects Coverage -- This endorsement is used to provide coverage for the personal effects of the insured and the insured's guests while aboard or being loaded onto or off of covered property.

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
COUNTRYWIDE BOATOWNERS PROGRAM
FORMS AND ENDORSEMENTS
FILING MEMORANDUM**

BT 4500, Named Storm Deductible -- This endorsement is used to provide a deductible amount that applies in the event of any loss caused directly or indirectly by a storm system that has been named by the National Oceanic and Atmospheric Administration (NOAA).

BT 4800, Agreed Value Settlement Provision -- This new endorsement replaces the How Much We Pay, Property Coverages provision. With this endorsement, the payment for damages to property is based on an agreed value basis rather than actual cash value. This optional endorsement provides coverage as previously provided in the Boatowners Special Form with the exception of the following changes:

- Losses to upholstery; outdrives or jet drives; carpet; and mechanical or electronic parts are settled on an actual cash value basis with a deduction for depreciation applied.
- The provision for Loss Settlement Terms -- Other Boats is not included in the new endorsement as there is no coverage under the Property Coverages section of the proposed program for boats not owned by the insured.

BT 6001, Additional Insured -- This endorsement is used to include the name of a person or organization as an additional insured with respect to Coverage X -- Personal Liability, but only for liability arising out of vicarious tort liability resulting from the insured's ownership, maintenance or use of covered property.

BT 6003, Agreed Value Loss Payee Provision -- This endorsement is used to add loss payees when the Agreed Value Settlement Provision applies.

Endorsement No Longer Available

BT 0008, Personal Watercraft Towing Exclusion Deleted is not being revised and is not applicable with the 05 08 edition of the Boatowners Program.

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
BOATOWNERS
Revised, New, and Forms No Longer Applicable
Countrywide**

REVISED FORMS AND ENDORSEMENTS

CURRENT FORM NUMBER	REVISED FORM NUMBER	REVISED FORM NAME
BT 0100 11 99	BT 0100 05 08	Boatowners Special Form
BT 0010 11 99	BT 1301 05 08	Punitive Damage Exclusion
BT 0001 11 99	BT 6500 05 08	Change Endorsement
BT 0002 11 99	BT 6501 05 08	Installment Premium Payments
BT 0003 11 99	BT 6502 05 08	Renewal Plan
BT 0004 11 99	BT 2000 05 08	Lay-Up Period Limitation
BT 0005 11 99	BT 6002 05 08	Loss Payee Provision
BT 0006 11 99	BT 6000 05 08	Additional Interests
BT 0007 11 99	BT 2500 05 08	Expanded Emergency Service
BT 0009 11 99	BT 2001 05 08	Personal Watercraft Exclusion

NEW FORMS AVAILABLE WITH THE 05 08 PROGRAM

FORM #	EDITION #	NEW FORM NAME
BT 3000	05 08	Personal Effects Coverage
BT 4500	05 08	Named Storm Deductible
BT 4800	05 08	Agreed Value Settlement Provision
BT 6001	05 08	Additional Insured
BT 6003	05 08	Agreed Value Loss Payee Provision

ENDORSEMENTS/SCHEDULES NOT APPLICABLE TO THE 05 08 PROGRAM

CURRENT FORM NUMBER ON FILE	N/A WITH REVISION	NAMES ON FILE FOR FORMS THAT ARE NOT APPLICABLE (OBSOLETE WITH REVISION)
BT 0008 11 99	N/A	Personal Watercraft Towing Exclusion Deleted

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
BOATOWNERS PROGRAM
POLICY CONDITIONS AND
MANDATORY ENDORSEMENTS
ARKANSAS**

Currently on file in Arkansas:	Replaced with:
CL 0406 04 04, Additional Policy Conditions - Arkansas	BT 0903 05 08, Policy Conditions - Arkansas
BT 0116 11 99, Amendatory Endorsement - Arkansas	BT 0803 05 08, Amendatory Endorsement - Arkansas

This coverage comparison is for informational and illustrative purposes only. It is solely intended to provide a general overview of coverage differences and similarities. This document and the language herein is not a contract and does not confer any contractual obligation between AAIS, its officers or agents and any individual, organization or other recipient of this document.

If anything in this coverage comparison is in conflict with the actual terms, coverage amounts, conditions and exclusions in the referenced policy, the policy terms, coverage amounts, conditions and exclusions apply and are not modified by this document.

AAIS PROPOSED

BT 0100 05 08

AAIS CURRENT

BT 0100 11 99

COMMENTS**BOATOWNERS SPECIAL FORM
TABLE OF CONTENTS**

	Page
Agreement.....	1
Definitions.....	2
Property Coverages.....	4
Principal Property Covered.....	4
Property Not Covered.....	4
Additional Property Coverages.....	4
Covered Losses.....	5
Exclusions That Apply To Property Coverages.....	5
Liability Coverages.....	7
Principal Liability Coverages.....	7
Additional Liability Coverages.....	7
.....Exclusions That Apply To Coverage X -- Personal Liability And Coverage Y -- Medical Payments.....	8
Additional Exclusions That Apply Only To Coverage X -- Personal Liability.....	10
Additional Exclusions That Apply Only To Coverage Y -- Medical Payments.....	11
Uninsured Boater Coverage.....	11
Exclusions That Apply To Coverage Z -- Uninsured Boater	11
Arbitration, Coverage Z -- Uninsured Boater.....	12
What Must Be Done In Case Of Loss.....	13
How Much We Pay	14
Payment Of Loss Or Claim.....	16
Additional Exclusions And Limitations.....	17
Other Policy Conditions.....	17
Conditions That Apply To All Coverages...17	17
Conditions That Apply Only To Property Coverages.....	19
Conditions That Apply Only To Liability Coverages.....	19

**BOATOWNERS SPECIAL FORM
TABLE OF CONTENTS**

	Page
Agreement.....	1
Definitions.....	2
Property Coverages.....	4
Principal Property Coverages.....	4
Additional Property Coverages.....	4
Perils Covered	5
Perils Excluded.....	5
Liability Coverages.....	7
Principal Liability Coverages.....	7
Additional Liability Coverages.....	7
.....Exclusions That Apply to Coverages X, and Y.....	7
Additional Exclusions That Apply Only to Coverage X.....	8
Additional Exclusions That Apply Only to Coverage Y.....	8
Uninsured Boater Coverage.....	8
Exclusions That Apply to Uninsured Boater Coverage.....	9
Arbitration.....	9
.	9
What Must Be Done In Case Of Loss.....	9
How Much We Pay	11
Payment of Loss or Claim.....	13
Other Conditions.....	14
Conditions That Apply To All Coverages...14	14
Conditions That Apply Only To Property Coverages.....	15

In addition to the specific changes outlined below, the new format for forms and endorsements is designed to use more titles and paragraph breaks to highlight and clearly identify any conditions, limitations, or exclusions that apply.

Note that throughout the form, wherever coverage was referenced only by coverage designation, the coverage title is added. For example, Coverage X is changed to Coverage X -- Personal Liability.

<p style="text-align: center;">AAIS PROPOSED BT 0100 05 08</p>	<p style="text-align: center;">AAIS CURRENT BT 0100 11 99</p>	<p style="text-align: center;">COMMENTS</p>
<p>Additional conditions relating to cancellation and nonrenewal also apply. If this form is attached to another policy, cancellation and nonrenewal conditions from the primary policy apply. Otherwise, applicable cancellation and nonrenewal conditions are added by a separate endorsement to this form.</p>	<p>Additional conditions relating to assignment or transfer of rights or duties; cancellation or nonrenewal; changes, modifications, or waivers; inspections; and examination of books and records also apply. These are shown separately.</p>	<p>Only the cancellation and non-renewal conditions are in a separate endorsement or contained within the primary policy. All other conditions with the exception of examination of books and records are now incorporated into the policy form. The condition relating to books and records has been removed from the policy. The proposed form provides information as to where the cancellation and nonrenewal conditions can be located.</p>
<p>Endorsements and schedules may also be part of this form. They are identified on the "declarations".</p>	<p>Endorsements and schedules may also apply. They are identified on the "declarations".</p>	<p>Editorial revisions; no change in intent</p>
<p>Refer to the Definitions for words that have special meanings. These words are shown in quotation marks or bold type.</p>	<p>Refer to the Definitions for words that have special meanings. These words are shown in quotation marks or bold type.</p>	
<p style="text-align: center;">AGREEMENT</p>	<p style="text-align: center;">AGREEMENT</p>	<p>Editorial revisions; no change in intent</p>
<p>This form, subject to all of its "terms", provides the described coverages during the policy period. In return "you" must pay the required premium. Each coverage described in this form applies only if a "limit" is shown on the "declarations" for that coverage.</p>	<p>This form, subject to all of its "terms", provides property and liability insurance and other described coverages during the policy period. In return "you" must pay the required premium. Each coverage described in this form applies only if a "limit" is shown on the "declarations" for that coverage.</p>	
	<p>These coverages apply: (1) to losses, "bodily injury", or "property damage" that occur during the policy period; and (2) unless otherwise shown on the "declarations", only upon the land, "coastal waters", tributaries, and inland lakes and rivers of the United States of America and Canada.</p>	<p>A new condition, "Territory" has been added to address the requirement that the losses or occurrences must occur on the land, "coastal water", tributaries, and inland lakes and rivers of the United States and Canada. The information has been removed from the Agreement.</p>

AAIS PROPOSED

BT 0100 05 08

AAIS CURRENT

BT 0100 11 99

COMMENTS**DEFINITIONS**

1. "You" and "your" mean the person or persons named as the insured on the "declarations". This includes that person's resident spouse.
2. "We", "us", and "our" mean the company providing this insurance.
3. "Actual cash value" means the cost to replace property using materials of like kind and quality, to the extent practical, less a deduction for depreciation.
4. "Boat" means a watercraft, including sails, spars, fittings, and all permanently attached equipment. It does not include outboard motors.
5. "Boating equipment" means:
 - a. portable boating accessories and detachable equipment used in the operation, maintenance, or navigation of a "boat";
 - b. dinghies and their outboard motors used to service "covered property";
 - c. citizen band radios, ship to shore radios, radar systems, sonar, and other transmitting and receiving systems while in or on "covered property", unless permanently attached to the "covered property"; and

DEFINITIONS

1. The words "you" and "your" mean the person or persons named as the insured on the "declarations". This includes "your" spouse if a resident of "your" household.
2. The words "we", "us", and "our" mean the company providing this insurance.
3. "Boat" means a watercraft, including sails, spars, fittings, and all permanently attached equipment. It does not include outboard motors.

Under the proposed form "*the words*" have been removed in order to be consistent with the formatting of the remainder of the definitions. In the second sentence "*your*" has been removed since the defined term should not be used in the definition.

Removed "*the words*" to be consistent with formatting of the definitions.

A definition for actual cash value is added with the proposed form.

A definition for boating equipment has been added. The proposed form provides coverage for boating equipment rather than miscellaneous property. Boating equipment provides coverage for items that are used in the operation, maintenance or navigation of the boat; dinghies and their outboard motors; marine electronics; and items intended to be towed by a boat.

Under the current form the coverage not only includes boating equipment and accessories but also personal property including items owned by guests. With the proposed form, coverage for personal property can be obtained under the optional endorsement BT 3000.

<p align="center">AAIS PROPOSED BT 0100 05 08</p>	<p align="center">AAIS CURRENT BT 0100 11 99</p>	<p align="center">COMMENTS</p>
--	---	---------------------------------------

d. water skis and other water sports equipment intended to be towed by a "boat", including but not limited to, wake boards, knee boards, and tubes.

6. "Boat trailer" means a trailer designed specifically for the transportation of a "boat".

7. "Bodily injury" means bodily harm to a person and includes sickness, disease, or death and any required care.

However, "bodily injury" does not mean bodily harm, sickness, disease, or death that arises out of:

- a. mental or emotional injury;
- b. suffering; or
- c. distress

that does not result from actual physical injury to a person.

5. "Boat trailer" means a trailer designed specifically for the transportation of a "boat".

6. "Bodily injury" means bodily harm to a person and includes sickness, disease, or death. This also includes required care and loss of services.

"Bodily injury" does not mean bodily harm, sickness, disease, or death that arises out of:

- a. a communicable disease;
- b. the actual, alleged, or threatened sexual molestation of a person;
- c. mental or emotional injury, suffering, or distress that does not result from physical injury;
- d. physical abuse;
- e. corporal punishment; or

Loss of services has been removed from the defined term "bodily injury". Medical Payments Coverage which utilizes the term "bodily injury" does not include compensation for loss of services.

In BT 0100 05 08, Communicable disease, molestation, abuse, corporal punishment and controlled substance language are included in EXCLUSIONS THAT APPLY TO COVERAGE X -- PERSONAL LIABILITY AND COVERAGE Y -- MEDICAL PAYMENTS.

<p style="text-align: center;">AAIS PROPOSED BT 0100 05 08</p>	<p style="text-align: center;">AAIS CURRENT BT 0100 11 99</p>	<p style="text-align: center;">COMMENTS</p>
---	--	--

8. "Business" means any trade, profession, or occupation including but not limited to:
- a. selling, chartering, renting, repairing, servicing, storing, mooring, or anchoring "boats"; and
 - b. operation of yacht clubs, shipyards, and marinas.

Entertainment of business clients on "your" "boat" is not considered "business".

- f. the use, sale, manufacture, delivery, transfer, or possession by any person of Controlled Substances as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812, including any amendments. Controlled Substances include but are not limited to cocaine, LSD, marijuana, and all narcotic or hallucinogenic drugs. However, this does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.
4. "Boat business" means the business or occupation of selling, chartering, renting, repairing, servicing, storing, mooring, or anchoring "boats". It includes the operation of yacht clubs, shipyards, and marinas.
7. "Coastal waters" means ocean waters that extend 15 statute miles from the coastline of the United States of America and Canada.

A definition for "business" replaces "boat business". Entertainment of business clients on the insured "boat" is not considered "business".

In the proposed form, coastal waters is no longer a defined term. The description of coastal waters is included in Territory under POLICY CONDITIONS, CONDITIONS THAT APPLY TO ALL COVERAGES.

<p style="text-align: center;">AAIS PROPOSED BT 0100 05 08</p>	<p style="text-align: center;">AAIS CURRENT BT 0100 11 99</p>	<p style="text-align: center;">COMMENTS</p>
<p>9. "Covered property" means the "boats", "motors", and "boat trailers" as described on the "declarations" and property covered under Newly Acquired Property.</p> <p>10. "Declarations" means all pages labeled Declarations, Supplemental Declarations, or Schedules that pertain to this form.</p> <p>11. "Insured" means:</p> <p>a. "you";</p> <p>b. "your" relatives if residents of "your" household; or</p> <p>c. persons under the age of 21 years who:</p> <p>1) reside in "your" household; and</p> <p>2) are in "your" care or in the care of "your" resident relatives.</p> <p>d. With respect to Coverage X -- Personal Liability, and Coverage Y -- Medical Payments, "insured" also means:</p> <p>1) persons using or caring for the "covered property" with "your" permission. This does not include persons using or caring for "covered property" in the course of any "business" or without the owner's consent; or</p>	<p>8. "Covered property" means the "boats", "motors", and "boat trailers" as described on the "declarations"; "substitute boats"; and property covered under Newly Acquired Property.</p> <p>9. "Declarations" are all pages labeled Declarations, Supplemental Declarations, or Schedules that pertain to this form.</p> <p>10. "Insured" means:</p> <p>a. "you";</p> <p>b. "your" relatives if residents of "your" household; or</p> <p>c. persons under the age of 21 residing in "your" household and in "your" care or the care of "your" resident relatives.</p> <p>With respect to Coverage X, Personal Liability, and Coverage Y, Medical Payments, "insured" also means:</p> <p>d. persons using or caring for the "covered property" with "your" permission and to which this insurance applies. This does not include persons using or caring for "covered property" in the course of any "boat business" or without the owner's consent; or</p>	<p>"Substitute boats" has been removed from the definition of covered property. There is no coverage for damage to non-owned boats under the PROPERTY COVERAGES section of the policy.</p> <p>Minor editorial revision.</p> <p>Persons using or caring for covered property while in the course of <i>any</i> "business" are not covered as insureds under the proposed form. A similar exclusion applies in the current form but only as to use in "boat business" rather than the broader term "business".</p>

<p style="text-align: center;">AAIS PROPOSED BT 0100 05 08</p>	<p style="text-align: center;">AAIS CURRENT BT 0100 11 99</p>	<p style="text-align: center;">COMMENTS</p>
---	--	--

- 2) a person or organization legally responsible for the use of "covered property" by a person listed in 11.a., 11.b., or 11.c. above.

However, "we" will cover that person or organization only with respect to the "covered property". This does not include persons using or caring for "covered property" in the course of any "business".

- e. With respect to Coverage Z -- Uninsured Boater, "insured" means only:

- 1) any person in, upon, or getting in or out of "covered property" or a "non-owned boat". This includes any person being towed on water-skis or similar devices not designed for flight by "covered property" or a "non-owned boat"; or
- 2) any person who is entitled to recover damages because of "bodily injury" that is covered under Coverage Z -- Uninsured Boater and sustained by a person described in e.1) above but only to the extent of those damages.

- e. a person or organization legally responsible for the use of a covered "boat", "motor", or "boat trailer" owned by a person listed in 10.a., 10.b., or 10.c. However, "we" will cover that person or organization only with respect to that property. This does not include persons using or caring for "covered property" in the course of any "boat business".

With respect to Coverage Z, Uninsured Boaters, "insured" means only:

- f. any person in, upon, or getting in or out of "covered property" or a "non-owned boat". This includes any person being towed on waterskis or similar devices not designed for flight by "covered property" or a "non-owned boat"; or
- g. any person for damages in which that person is entitled because of "bodily injury" that is covered under Coverage Z and sustained by a person described in 10.f.

Each of the above is a separate "insured", but this does not increase "our" "limit".

The definition for insured now includes a person or organization legally responsible for "covered property" rather than "boats", "motors" and "trailers" owned by a person listed in 10.a., 10.b., or 10.c. Since substitute boats are no longer covered under the form, the term "covered property" includes only property owned by the insured. As noted above, there is no coverage when the boat is used in the course of any "business" rather than when used in the course of "boat business".

Information is contained in the How Much We Pay For a Loss section.

<p style="text-align: center;">AAIS PROPOSED BT 0100 05 08</p>	<p style="text-align: center;">AAIS CURRENT BT 0100 11 99</p>	<p style="text-align: center;">COMMENTS</p>
<p>12. "Limit" means the amount of insurance that applies for the coverage.</p> <p>13. "Motor" means an outboard motor and its equipment including:</p> <ul style="list-style-type: none"> a. start up equipment and controls; b. batteries; c. electric harnesses; and d. fuel tanks and other pressure control tanks. <p>14. "Non-owned boat" means a "boat" not over 30 feet in overall length, its "motor", and its "boat trailer" that "you" do not own and that is used by:</p> <ul style="list-style-type: none"> a. "you"; b. "your" relatives if residents of "your" household; or 	<p>11. "Limit" means the amount of coverage that applies.</p> <p>12. "Motor" means an outboard motor, including start up equipment and controls, electric harnesses, fuel tanks, and other pressure control tanks.</p> <p>13. "Non-owned boat" means:</p> <ul style="list-style-type: none"> a. a "boat" not over 26 feet in overall length; b. its "motor"; and c. its "boat trailer"; <p>used by "you", "your" relatives if residents of "your" household, or persons under the age of 21 residing in "your" household and in "your" care or the care of "your" resident relatives.</p>	<p>Editorial revision.</p> <p>Batteries are added to the definition of "motor".</p> <p>The definition of non-owned boat is revised to include boats up to 30 feet in length rather than 26 feet in length.</p>

<p style="text-align: center;">AAIS PROPOSED BT 0100 05 08</p>	<p style="text-align: center;">AAIS CURRENT BT 0100 11 99</p>	<p style="text-align: center;">COMMENTS</p>
---	--	--

c. persons under the age of 21 residing in "your" household and in "your" care or the care of "your" resident relatives.

A "non-owned boat" does not mean a "boat", "motor", or "boat trailer" that is owned by or furnished for the regular use of an "insured".

15. "Occurrence" means an accident, including repeated exposure to similar conditions, that results in "bodily injury" or "property damage" during the policy period.

16. "Personal watercraft" means any watercraft equipped with a water jet pump propulsion system and designed to be operated by a person or persons while sitting, standing, or kneeling on the watercraft. "Personal watercraft" includes but is not limited to:

- a. jet skis;
- b. wave runners; and
- c. similar watercraft.

This does not include "boats" that are owned by or furnished for the regular use of an "insured".

14. "Occurrence" means an accident, including repeated exposure to similar conditions, that results in "bodily injury" or "property damage" during the policy period.

15. "Personal watercraft" means a watercraft equipped with a water jet pump propulsion system and designed to be operated by a person or persons while sitting, standing, or kneeling on or behind an engine covering.

Motors and boat trailers owned by or furnished for the regular use of an insured are not included in the definition of "non-owned boat".

Examples of personal watercraft are added to the definition.

AAIS PROPOSED BT 0100 05 08	AAIS CURRENT BT 0100 11 99	COMMENTS
--	---	-----------------

17. "Pollutants" means:

- a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be disposed of as well as recycled, reclaimed, or reconditioned; and
- b. electrical, magnetic, or electromagnetic particles or fields, whether visible or invisible, and sound emissions.

18. "Property damage" means:

- a. physical injury to or destruction of tangible property; or
- b. the loss of use of tangible property whether or not it is physically damaged.

19. "Terms" means all provisions, limitations, exclusions, conditions, "declarations", and definitions that pertain to this form.

16. "Pollutants" means:

- a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of; and
- b. electrical or magnetic emissions, whether visible or invisible, and sound emissions.

17. "Property damage" means:

- a. physical injury or destruction of tangible property; or
- b. the loss of use of tangible property whether or not it is physically damaged.

18. "Substitute boat" means a "boat", "motor", or "boat trailer" not owned by "you" and used by an "insured" as a temporary replacement for a covered "boat", "motor", or "boat trailer" that has been lost or destroyed or is undergoing maintenance, service, or repairs.

19. "Terms" means all provisions, limitations, exclusions, conditions, "declarations", and definitions that pertain to this form.

Electromagnetic particles or fields have been added to the Pollutant definition.

The definition for "substitute boat" has been removed. Since Substitute Boat Coverage is removed from Additional Property Coverages with the proposed form, the definition is no longer necessary.

AAIS PROPOSED BT 0100 05 08	AAIS CURRENT BT 0100 11 99	COMMENTS
---------------------------------------	--------------------------------------	-----------------

PROPERTY COVERAGES

PRINCIPAL PROPERTY COVERED

"We" cover direct physical loss to:

1. "boats";
2. "motors"; and
3. "boat trailers"

described on the "declarations" and for which a "limit" is shown.

PROPERTY COVERAGES

PRINCIPAL PROPERTY COVERAGES

1. **Boats** -- "We" cover the "boats" described on the "declarations" for which a "limit" is shown.
2. **Motors** -- "We" cover the "motors" described on the "declarations" for which a "limit" is shown.
3. **Boat Trailers** -- "We" cover the "boat trailers" described on the "declarations" for which a "limit" is shown.

Editorial revision to clarify that direct physical loss to the property is required.

<p style="text-align: center;">AAIS PROPOSED BT 0100 05 08</p>	<p style="text-align: center;">AAIS CURRENT BT 0100 11 99</p>	<p style="text-align: center;">COMMENTS</p>
---	--	--

PROPERTY NOT COVERED

"We" do not cover property used for or involved in:

- 1. **Business** -- "We" do not pay for loss or damage to "boats", "motors", "boat trailers", or "boating equipment" while the property is:
 - a. being used in a "business";
 - b. hired out or chartered for the use of others;
 - c. used to transport people or goods for a fee; or
 - d. rented to others.

(previously exclusion 1.a.)
 a. any cause while the property is used in illicit transportation or trade or any "boat business".

(previously exclusions 2. a. and b.)
 a. used to transport people or goods for a fee;
 b. rented to others; or

Property Not Covered is a new section. When the property is used for or involved in Business, Racing and Stunt Activities, or Residential Use, it is not covered under the Property Coverages. With the current form, business use and racing and stunt activities are included with the exclusions.

As explained in the definitions section, "boat business" is replaced by the broader business in order to treat all commercial exposures in the same manner. Under the proposed form, all business use is excluded rather than only boat business. Illicit transportation or trade which is combined with the boat business exclusion has been relocated to be addressed in the Criminal Acts exclusion.

Under the current edition, if the property is used for transporting people or goods for a fee, or rented to others; there is coverage for lightning or fire. With the proposed form, there is no coverage under the form when the property is being used in a business.

<p style="text-align: center;">AAIS PROPOSED BT 0100 05 08</p>	<p style="text-align: center;">AAIS CURRENT BT 0100 11 99</p>	<p style="text-align: center;">COMMENTS</p>
---	--	--

2. **Racing And Stunt Activity** -- "We" do not pay for loss or damage to "boats", "motors", "boat trailers", or "boating equipment" caused by or resulting from involvement in an organized or impromptu race including, but not limited, to:

- a. preparation for a race;
- b. participation in a race; or
- c. practicing or qualifying for a race.

A race means any competition for speed or endurance whether against another competitor or time.

"We" also do not pay for loss or damage caused by or resulting from involvement in an organized or impromptu contest involving stunts.

This exclusion does not apply to sailboats in an organized or impromptu race.

3. **Residential Use** -- "We" do not pay for loss or damage to "boats", "motors", "boat trailers", or "boating equipment" while the "boat" is used as a primary or permanent residence.

(previously exclusion 2. c.)
c. used in, or in the practice or the preparation for, an organized or official racing, speed, pulling or pushing, demolition, or stunt activity, test, or contest. However, this does not apply to sailboats.

With the proposed form, impromptu races and speed contests are included as racing and stunt activity. Reference to pushing, pulling and demolition are removed from the proposed form.

The current form provides coverage for loss caused by fire and lightning if the property is being used in the course of racing, stunt activity, etc. The proposed form provides no coverage for property used in these manners.

A definition for race is added to the proposed form.

As with the existing form, the proposed form provides coverage for racing and stunt activity.

Since boats used as residences are not eligible under the program, a provision was added to indicate that loss that occurs while the boat is used as a primary or permanent residence. Excluding boats used as a residence will eliminate coverage for instances in which the use of the boat changes subsequent to the inception of the policy.

AAIS PROPOSED BT 0100 05 08	AAIS CURRENT BT 0100 11 99	COMMENTS
---------------------------------------	--------------------------------------	-----------------

ADDITIONAL PROPERTY COVERAGES

"We" cover the following in addition to the Principal Property Covered.

The "limit" available for each Additional Property Coverage:

- a. is the only "limit" available for the described coverage; and
- b. is not the sum of the "limit" indicated for an Additional Property Coverage and the "limit" for coverage described under Principal Property Covered.

ADDITIONAL PROPERTY COVERAGES

Each of the following is an additional amount of insurance.

Language is added to clarify that the limits of the Additional Property Coverages are the only limits available for the coverage and that the limit is not the sum of the limit for the Additional Coverage and the Principal Property Coverage.

AAIS PROPOSED

BT 0100 05 08

AAIS CURRENT

BT 0100 11 99

COMMENTS1. **Boating Equipment**

- a. **Coverage** -- "We" cover direct physical loss to "boating equipment" owned by "you".

- b. **Limits** -- Unless otherwise shown on the "declarations", the most "we" pay under this coverage is \$2,500 for any loss of or damage to "boating equipment".

However, for loss of or damage to "boating equipment" in, on, or cast overboard from a "personal watercraft" while the "personal watercraft" is in use, the most "we" will pay is \$500 under this coverage.

1. **Miscellaneous Property** -- "We" cover boating equipment; accessories; and other detachable equipment owned by "you" and used in the maintenance or operation of a "boat". This includes similar property that belongs to others in the care, custody, or control of an "insured".

"We" also cover personal property owned by "you" and "your" guests while on a "boat".

"We" do not cover animals; fuel; furs; goldware; guns; jewelry; money; photographic equipment; precious or semi-precious stones; precious metals; securities; silverware; travelers checks; valuable papers and other documents; or watches.

Unless otherwise shown on the "declarations", the most "we" pay under this coverage is:

- b. \$1,500 for loss or damage to all other equipment, accessories, and property.
- a. \$500 for loss or damage to equipment, accessories, and property in, on, or cast overboard from a "personal watercraft" while the "personal watercraft" is in use; or

Coverage is provided for "boating equipment" rather than miscellaneous property. Coverage for personal items is available as an optional coverage under the Personal Effects Coverage endorsement, BT 3000 05 08.

Property owned by guests is no longer covered.

Since coverage for personal items is no longer covered in the 05 08 revision, the list of items not covered has been eliminated.

Editorial and format revisions.

The proposed form references "boating equipment" to reflect the change from Miscellaneous Property to Boating Equipment.

The limit for boating equipment other than that in, on, or cast from a personal watercraft is \$2,500. For boating equipment in, on or cast from a personal watercraft, the limit is \$500. Under the current form, coverage limits for Miscellaneous Property were \$1,500 and \$500 respectively.

AAIS PROPOSED

BT 0100 05 08

AAIS CURRENT

BT 0100 11 99

COMMENTS

2. **Substitute Boats** -- "We" cover "substitute boats". "We" pay no more than the "limit" shown on the "declarations" for the "boat", "motor", or "boat trailer" that has been lost or destroyed or is undergoing maintenance, service, or repairs.

Any payment "we" make under this coverage is excess over all other insurance.

3. **Non-owned Boats** -- "We" cover "non-owned boats" other than "substitute boats" up to \$10,000.

Any payment "we" make under this coverage is excess over all other insurance.

Substitute boats are not covered under the property section of the proposed form.

Non-owned Boats are not covered under the property section of the proposed form.

<p style="text-align: center;">AAIS PROPOSED BT 0100 05 08</p>	<p style="text-align: center;">AAIS CURRENT BT 0100 11 99</p>	<p style="text-align: center;">COMMENTS</p>
---	--	--

2. Newly Acquired Property

a. **Coverage** -- "We" cover direct physical loss to "boats" up to 30 feet in length, "motors", and "boat trailers" that "you" acquire during the policy period.

b. **Time Limitation** -- This coverage applies for 30 days after "you" acquire the "boat", "motor", or "boat trailer" or until "you" report the newly acquired property to "us", whichever occurs first.

This coverage does not extend beyond the end of the policy period.

c. **Additional Premium** -- "You" must pay any additional premium due from the date "you" acquire the "boat", "motor", or "boat trailer".

d. **Limit** -- The most "we" pay for newly acquired property is \$25,000.

4. **Newly Acquired Property** -- "We" cover "boats" up to 26 feet in length, "motors", and "boat trailers" that "you" acquire during the policy period.

This coverage applies for 30 days after "you" acquire the "boat", "motor", or "boat trailer" or until "you" report the newly acquired property to "us", whichever occurs first. This coverage does not extend beyond the end of the policy period.

"You" must pay any additional premium due from the date "you" acquire the "boat", "motor", or "boat trailer".

The "limit" that applies to this coverage is the greater of the sum of the "limits" shown on the "declarations" for "boats", "motors", and "boat trailers"; or \$25,000.

With the proposed form, coverage is provided under Newly Acquired Property for boats up to 30 feet in length rather than 26 feet. The proposed form also requires direct physical loss to the property

With the proposed form, Newly Acquired Property has a set \$25,000 limit. In contrast, the current form provides for a limit of the greater of the sum of limits for boats, motors and trailers on the declarations or \$25,000.

<p align="center">AAIS PROPOSED BT 0100 05 08</p>	<p align="center">AAIS CURRENT BT 0100 11 99</p>	<p align="center">COMMENTS</p>
--	---	---------------------------------------

3. Emergency Service

- a. **Coverage** -- "We" will cover the reasonable cost of towing and labor arising out of the disablement of a covered "boat" or "motor".
- b. **We Do Not Cover** -- "We" do not cover the cost of:
 - 1) the delivery of batteries, gas or oil;
 - 2) parts or supplies; or
 - 3) changing a "boat trailer" tire.
- c. **Coverage Limitation** -- The labor costs are covered only for labor performed at the place of disablement.
- d. **Limit** -- The most "we" pay for towing and labor is \$500 per incident.

No deductible applies to a loss under this additional coverage.

COVERED LOSSES

We cover direct physical loss or damage to "covered property" and "boating equipment" except as limited or excluded in this form.

- 5. **Emergency Service** -- "We" will pay up to \$50 for the cost of towing and labor arising out of the disablement of a covered "boat". However, this does not include the cost of:

- a. the delivery of gas or oil; or
- b. changing a "boat trailer" tire.

The labor costs are covered only for labor performed at the place of disablement. No deductible applies.

PERILS COVERED

- 1. Except as provided in 2. below, "we" cover external risks of direct physical loss to "covered property", "non-owned boats", and property covered under Miscellaneous Property unless the loss is caused by a peril that is excluded.

Editorial and format revisions.

Language has been added to in the proposed form to clarify that costs for towing and labor must be reasonable. Coverage for disablement of the motor is added.

The proposed form includes language stating that there is no coverage for parts or supplies. This is to clarify that the coverage is for labor only.

Editorial revisions.

The limit for Emergency Service is increased from \$50 to \$500.

The title is changed to "Covered Losses" from "Perils Covered" as this is an open peril policy rather than a named peril coverage form.

The introductory paragraph of the proposed form states that coverage is provided unless there are specific limits or exclusions. Coverage is for direct physical loss. The words "external risk" are removed. Also, reference to coverage for "non-owned boats" is removed as there is no coverage for boats not owned by the insured under the Property Coverages.

Reference to "2. below" is removed. See explanation in "Exclusions That Apply To Property Coverages" below.

AAIS PROPOSED

BT 0100 05 08

AAIS CURRENT

BT 0100 11 99

COMMENTS**EXCLUSIONS THAT APPLY TO PROPERTY COVERAGES**

"We" do not pay for a loss or damage to "covered property" or "boating equipment" caused directly or indirectly by any of the following. Such losses are excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded cause.

PERILS EXCLUDED

"We" do not pay for a loss if one or more of the perils excluded in 1. and 2. below apply to the loss. Such losses are excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded peril.

1. "We" do not pay for a loss to "covered property", a "non-owned boat", or property covered under Miscellaneous Property that is caused by or results from:

2. "We" do not pay for a loss to "covered property", a "non-owned boat", or property covered under Miscellaneous Property that results from or is confined to the following perils:

In the proposed form, all exclusions apply regardless of other causes or events that contribute to or aggravate the loss. The current form separates the exclusions into two levels.

Reference to "non-owned boat" has been removed since there no coverage for non-owned boats in the 05 08 revision.

<p style="text-align: center;">AAIS PROPOSED BT 0100 05 08</p>	<p style="text-align: center;">AAIS CURRENT BT 0100 11 99</p>	<p style="text-align: center;">COMMENTS</p>
---	--	--

1. **Animals And Marine Life** -- "We" do not pay for loss caused by or resulting from animals including, but not limited to birds, vermin, rodents, insects, animals owned or kept by an "insured", or marine life.

2. **Bubbling And Delamination** -- "We" do not pay for loss caused by or resulting from bubbling or delamination of fiberglass or plywood.

3. **Civil Authority** -- "We" do not pay for loss caused by or resulting from the order of any civil authority including:

- a. seizure or destruction under quarantine or customs regulations;
- b. risks of contraband or illegal transportation or trade; or
- c. confiscation or destruction by order of a government or public authority.

"We" do pay for loss which results from acts of a civil authority to prevent the spread of fire.

4. **Contamination Or Deterioration** -- "We" do not pay for loss caused by or resulting from contamination or deterioration including:

- a. weathering, corrosion, decay, or rust;
- b. bacteria, fungi, wet rot, or dry rot;

(previously 2.g.)
g. marine life.

f. civil authority. This means:

- 1) seizure or destruction under quarantine or customs regulations;
- 2) risks of contraband or illegal transportation or trade; or
- 3) confiscation or destruction by order of a government or public authority.

"We" do pay for loss that results from acts of a civil authority to prevent the spread of fire.

(previously 2.b.)
b. gradual deterioration of the property;

(previously 2.3.)
e. corrosion or rust;

In addition to damage from marine life, loss caused by birds, vermin, rodents, insects and animals kept by an insured is excluded.

Bubbling and delamination damage is excluded as these types of losses are not sudden and accidental in nature and are typically due to wear and tear or maintenance causes.

Editorial revision to clarify intent

The exclusion is expanded to include weathering, decay, bacteria, fungi, wet rot and dry rot. These damages typically are a result of improper maintenance or gradual deterioration or weathering.

<p style="text-align: center;">AAIS PROPOSED BT 0100 05 08</p>	<p style="text-align: center;">AAIS CURRENT BT 0100 11 99</p>	<p style="text-align: center;">COMMENTS</p>
<p>c. hidden or latent defect; or</p> <p>d. any quality, fault, or weakness in "covered property" or "boating equipment" that causes it to damage or destroy itself.</p> <p>5. Criminal Acts -- "We" do not pay for loss caused by or resulting from the criminal acts of an "insured" including illicit transportation or trade.</p> <p>6. Freezing Or Overheating -- "We" do not pay for loss caused by or resulting from freezing or overheating including damage due to ice, thawing, or sudden changes in temperature.</p> <p>7. Intentional Acts -- "We" do not pay for loss caused by or resulting from any act committed:</p> <p>a. by an "insured", alone or in collusion with another; or</p> <p>b. at the direction of an "insured"</p> <p>with the intent to cause a loss.</p> <p>This exclusion applies even with respect to an "insured" who was not involved in the commission or direction of the act that caused the loss.</p>	<p>(previously 2.c.) c. hidden or latent defect in the property;</p> <p>(previously 2.d.) d. a quality, fault, or weakness in the property that causes it to damage or destroy itself;</p> <p>(previously 1.a.) a. any cause while the property is used in illicit transportation or trade or any "boat business".</p> <p>(previously 1.c.) c. freezing or overheating.</p> <p>(previously 1.b.) b. an act committed by or at the direction of an "insured" and with the intent to cause a loss.</p>	<p>Editorial revisions.</p> <p>Under the proposed form, a criminal acts exclusion is added to include not only illicit transportation or trade but any criminal act of an insured.</p> <p>The exclusion for freezing and overheating is expanded to include ice, thawing, or sudden changes in temperature.</p> <p>The exclusion for loss caused by an intentional act of an insured applies whether the insured acted alone or in collusion with another. In addition, the exclusion applies even with respect to an insured who was not involved in the commission or direction of the act that caused the loss.</p>

<p style="text-align: center;">AAIS PROPOSED BT 0100 05 08</p>	<p style="text-align: center;">AAIS CURRENT BT 0100 11 99</p>	<p style="text-align: center;">COMMENTS</p>
<p>8. Maintenance And Repairs -- "We" do not pay for loss caused by or resulting from a process to repair, adjust, service, or maintain the covered equipment or property.</p> <p>But if maintenance or repairs results in fire or explosion, "we" do cover the loss or damage caused by that fire or explosion.</p> <p>9. Mechanical Breakdown -- "We" do not pay for loss caused by or resulting from mechanical or electrical breakdown or failure of the property including, but not limited to, rupture or bursting by centrifugal force.</p> <p>But if mechanical breakdown results in a loss that would otherwise be covered under this form, "we" do cover the resulting loss or damage.</p> <p>10. Nuclear Hazard -- "We" do not pay for loss caused by or resulting from nuclear reaction, radiation, or radioactive contamination whether controlled or uncontrolled; or however caused; or any consequence of such reaction, radiation, or contamination.</p> <p>Loss caused by nuclear reaction, radiation, or radioactive contamination is not considered loss caused by:</p> <p>a. fire;</p> <p>b. explosion; or</p> <p>c. smoke;</p> <p>"We" do cover the loss caused by a fire that results from the nuclear hazard.</p>	<p>(previously 1.d.) d. a process to repair, adjust, service, or maintain the property. If a fire or explosion results, "we" do cover the loss caused by the fire or explosion.</p> <p>(previously 2.f.) f. mechanical or electrical breakdown or failure of the property. This includes rupture or bursting by centrifugal force. However, "we" do pay for an ensuing loss that is otherwise covered by this form; or</p> <p>g. nuclear hazard. This means nuclear reaction, nuclear radiation, or radioactive contamination, whether controlled or uncontrolled. "We" do not pay for a loss that results from these perils even if it is caused by, contributed to, or aggravated by a covered peril. A loss caused by these perils will not be considered to be a loss caused by fire, explosion, or smoke. "We" do cover the loss caused by a fire that results from the nuclear hazard.</p>	<p>Editorial revision.</p> <p>Editorial revision.</p> <p>Editorial and format revisions.</p>

<p align="center">AAIS PROPOSED BT 0100 05 08</p>	<p align="center">AAIS CURRENT BT 0100 11 99</p>	<p align="center">COMMENTS</p>
--	---	---------------------------------------

11. **War Or Military Action** -- "We" do not pay for loss caused by or resulting from:

- 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.

With respect to any action that comes within the "terms" of this exclusion and involves nuclear reaction, radiation, or radioactive contamination, this exclusion supersedes the exclusion for nuclear hazard.

Discharge of a nuclear weapon is deemed a warlike action even if it is accidental.

12. **Wear And Tear** -- "We" do not pay for loss caused by normal wear and tear.

LIABILITY COVERAGES

PRINCIPAL LIABILITY COVERAGES

e. war. This means:

- 1) declared war, undeclared war, civil war, insurrection, rebellion, or revolution;
- 2) a warlike act by a military force or by military personnel;
- 3) the destruction, seizure, or use of the property for a military purpose; or
- 4) the discharge of a nuclear weapon even if it is accidental.

- (previously 2.a.)
- a. normal wear and tear of the property;

LIABILITY COVERAGES

PRINCIPAL LIABILITY COVERAGES

The proposed form adds the term *military action* to the war exclusion.

The proposed form also specifies that the exclusion applies to loss caused by warlike action by a military force *by any government, sovereign, or other authority using military personnel or other agents*, and also that it applies to loss caused by action in *hindering or defending against an actual or expected attack*.

The proposed form specifies that the exclusion applies to loss caused by usurped power, and also that it applies to loss caused by action taken by governmental authority in hindering or defending against insurrection, rebellion, revolution, and usurped power.

There is a priority of the war exclusion over the nuclear hazard exclusion.

Minor editorial revision

AAIS PROPOSED

BT 0100 05 08

AAIS CURRENT

BT 0100 11 99

COMMENTS**1. Coverage X -- Personal Liability**

a. **Coverage** -- "We" pay, up to the "limit" that applies, all sums for which an "insured" is legally liable because of "bodily injury" or "property damage" caused by an "occurrence" arising out of the ownership, maintenance or use of "covered property" or a "non-owned boat".

b. **Defense Or Settlement Of Suit** -- "We" will settle or defend a claim or suit seeking damages if the claim or suit resulted from "bodily injury" or "property damage" caused by an "occurrence" to which this coverage applies. Such defense will be provided at "our" expense by counsel that "we" choose.

"We" may investigate and settle claims or suits that "we" decide are appropriate. "We" do not have to provide a defense after "we" have paid an amount equal to the "limit" that applies as a result of a judgment or written settlement.

2. Coverage Y -- Medical Payments

a. **Coverage** -- "We" pay the necessary medical expenses for "bodily injury" arising out of the ownership, maintenance or use of "covered property" or a "non-owned boat".

1. **Coverage X -- Personal Liability** -- "We" pay, up to "our" "limit", all sums for which an "insured" is liable by law because of "bodily injury" or "property damage" caused by an "occurrence" arising out of "covered property" or a "non-owned boat".

"We" will settle or defend a claim or suit seeking damages if the claim or suit resulted from "bodily injury" or "property damage" not excluded under this form.

"We" may make investigations and settle claims or suits that "we" decide are appropriate. "We" do not have to provide a defense after "we" have paid an amount equal to "our" "limit" as a result of a judgment or written settlement.

2. **Coverage Y -- Medical Payments** -- "We" pay the necessary medical expenses if they are incurred or medically determined within three years from the date of an accident causing a covered "bodily injury" and arising out of "covered property" or a "non-owned boat".

Editorial and format revisions.

The proposed form specifies that the occurrence must arise out of *ownership, maintenance, or use* of covered property or a non-owned boat. This is a clarification with no change in intent.

The proposed form specifies that defense will be provided at the company's expense by counsel that they choose.

Editorial revision; no change in intent.

Editorial and format revisions have been made.

AAIS PROPOSED BT 0100 05 08	AAIS CURRENT BT 0100 11 99	COMMENTS
---------------------------------------	--------------------------------------	-----------------

b. **Coverage Limitation** -- "We" only pay the necessary medical expenses for "bodily injury" if the expenses are incurred or medically determined within three years from the date of an accident.

c. **Medical Expenses Means** -- Medical expenses means the reasonable charges for:

- 1) medical care;
- 2) surgery;
- 3) X-ray, CAT scan, or MRI ;
- 4) dental care;
- 5) ambulance services;
- 6) hospital care;
- 7) professional nursing services;
- 8) funeral services;
- 9) prosthetic devices;
- 10) hearing aids or eyeglasses, including contact lenses;
- 11) prescription drugs; and
- 12) first aid at the time of the accident.

ADDITIONAL LIABILITY COVERAGES

The following Additional Liability coverages are subject to all the "terms" of Coverage X -- Personal Liability and Coverage Y -- Medical Payments.

Medical expenses means the reasonable charges for medical, surgical, X-ray, dental, ambulance, hospital, professional nursing, and funeral services; prosthetic devices; hearing aids; prescription drugs; eyeglasses, including contact lenses; and first aid at the time of the accident.

ADDITIONAL LIABILITY COVERAGES

These coverages are subject to all the "terms" of Coverages X and Y.

Formatting revision.

The proposed form specifies that medical expenses are paid for bodily injury to an *insured*.

Editorial changes. Expenses for CAT scans and MRIs are added as covered medical expenses under the proposed form.

Editorial revisions.

AAIS PROPOSED

BT 0100 05 08

AAIS CURRENT

BT 0100 11 99

COMMENTS

In addition to the "limit" of liability for Coverage X -- Personal Liability, "we" will pay for the following:

1. **Claims And Defense Cost** -- "We" pay for:
 - a. the costs incurred by "us" and the costs taxed to an "insured" in a suit "we" defend;
 - b. the premiums on required bonds in a suit "we" defend, but only for bond amounts up to the "limit" that applies. "We" are not required to apply for or furnish bonds;
 - c. the necessary costs incurred by an "insured" at "our" request for assisting "us" in the investigation or defense of a claim or suit. This includes up to \$250 per day, per "insured", for the actual loss of earnings, but not loss of other income, for time spent away from work at "our" request;

Payments under these coverages are in addition to the "limit" for Coverage X.

1. **Claims and Defense Cost** -- If "we" defend a suit, "we" pay:
 - a. the costs taxed to an "insured";
 - b. the costs incurred by "us";
 - f. the premiums on appeal bonds or bonds for the release of attachments up to "our" "limit"; however, "we" are not required to apply for or furnish bonds;
 - g. the premiums up to \$500 per bail bond required of an "insured" because of an accident or violation of a law arising out of the use of "covered property" or a "non-owned boat"; however, "we" are not required to apply for or furnish bonds; and
 - d. the necessary costs incurred by "you" at "our" request;
 - c. up to \$50 per day for the actual loss of earnings by an "insured" for time spent away from work at "our" request;

Editorial revision.

Under the proposed form 1. a. and 1. b. are combined. Editorial revisions are made as well.

The proposed form specifies that the company will pay the premiums on *required* bonds, as opposed to the current form's agreement to pay for premiums for appeal bonds, bonds for the release of attachments, and bail bonds.

The proposed form has been broadened to pay up to \$250 per day for earnings lost by an insured while away from work at the company's request. However, the proposed form specifies that payment for loss of earnings does not include loss of any other income.

AAIS PROPOSED BT 0100 05 08	AAIS CURRENT BT 0100 11 99	COMMENTS
---------------------------------------	--------------------------------------	-----------------

- d. the interest on the entire judgment that accrues after the entry of the judgment, but ending when "we" tender, pay, or deposit in court that part of the judgment that does not exceed the "limit" that applies; and
- e. prejudgment interest awarded against an "insured" on that part of the judgment "we" pay. If "we" offer to pay the "limit" that applies, "we" will not pay any prejudgment interest based on that period of time after the offer.

2. **Removal Of Wrecked Or Sunken Property**

- a. **Coverage** -- "We" pay the reasonable cost incurred for the raising, removal, or destruction of "covered property" or a "non-owned boat" caused by its stranding, sinking, or burning, if required of an "insured" by law or governmental authority. This includes the cost of unsuccessful attempts to raise, remove, or destroy this wreckage.
- b. **Limit** -- "We" will not pay more than 25% of the "limit" for Coverage X -- Personal Liability, that applies to the lost or damaged property.

- e. the interest that accrues after the entry of a judgment, but ending when "we" tender or pay up to "our" "limit";
- h. prejudgment interest awarded against an "insured" on that part of the judgment "we" pay. If "we" offer to pay the "limit", "we" will not pay any prejudgment interest based on that period of time after the offer.

- 2. **Removal of Sunken Property** -- "We" pay the cost incurred for the raising, removal, or destruction of "covered property" or a "non-owned boat" caused by its stranding, sinking, or burning, if required of an "insured" by law or governmental authority. This includes the cost of unsuccessful attempts to raise, remove, or destroy this wreckage. Unless otherwise shown on the "declarations", "we" will not pay more than 25% of the "limit" that applies to the lost or damaged property.

The proposed form specifies that the company will pay interest on the *entire* judgment that accrues after the entry of the judgment.

No change.

In the proposed form, the title for this additional coverage is modified to include the word 'wrecked' since coverage is also provided if property damage is due to stranded or burning. In addition, a requirement has been added that the costs be reasonable.

The proposed form specifies that the coverage available for the Removal Of Wrecked Or Sunken Property is 25% of the Coverage X limit.

AAIS PROPOSED

BT 0100 05 08

AAIS CURRENT

BT 0100 11 99

COMMENTS**EXCLUSIONS THAT APPLY TO
COVERAGE X -- PERSONAL LIABILITY AND
COVERAGE Y -- MEDICAL PAYMENTS**

The following exclusions apply to Coverage X -- Personal Liability, and Coverage Y -- Medical Payments:

1. **Abuse** -- "We" do not pay for "bodily injury" or "property damage" that arises out of abuse. Abuse includes but is not limited to:
 - a. actual, alleged, or threatened sexual molestation;
 - b. corporal punishment; or
 - c. physical or mental abuse.

**EXCLUSIONS THAT APPLY TO
COVERAGES X AND Y**

"We" do not pay for "bodily injury" or "property damage":

(From definitions, Bodily Injury)

"Bodily injury" does not mean bodily harm, sickness, disease, or death that arises out of:

- b. actual, alleged, or threatened sexual molestation of a person;
- c. mental or emotional injury, suffering, or distress that does not result from physical injury;
- d. physical abuse;
- e. corporal punishment; or

Editorial revisions. The formatting of the exclusions has been changed.

The proposed form adds "abuse" as an exclusion rather than excluding it from the definition of "bodily injury". Note that the exclusion applies to bodily injury and property damage.

The current form excludes mental or emotional injury, suffering, or distress that does not result from physical injury. Under the proposed form, mental abuse is excluded.

AAIS PROPOSED BT 0100 05 08	AAIS CURRENT BT 0100 11 99	COMMENTS
---------------------------------------	--------------------------------------	-----------------

<p>2. Business Pursuits -- "We" do not pay for "bodily injury" or "property damage" that occurs when the "covered property" or a "non-owned boat" is:</p>		<p>In the proposed form, any use of the covered property in the course of business is excluded.</p>
<p>a. being used in the course of "business";</p>	<p>4. while "covered property" or a "non-owned boat" is:</p>	
	<p>d. used for business by an "insured".</p>	
	<p>1. that occurs while "covered property" or a "non-owned boat" is being used:</p>	
	<p>c. in any "boat business"; or</p>	
		<p>No change.</p>
<p>b. hired out or chartered for the use of others;</p>	<p>b. hired out or chartered for the use of others;</p>	
		<p>No change.</p>
<p>c. used to transport people or goods for a fee; or</p>	<p>1. that occurs while "covered property" or a "non-owned boat" is being used:</p>	
	<p>a. to transport people or goods for a fee;</p>	
		<p>No change.</p>
<p>d. rented to others.</p>	<p>4. while "covered property" or a "non-owned boat" is:</p>	
	<p>a. rented to others;</p>	

AAIS PROPOSED

BT 0100 05 08

AAIS CURRENT

BT 0100 11 99

COMMENTS

3. **Communicable Diseases** -- "We" do not pay for "bodily injury" or "property damage" that arises out of the transmission of a communicable disease by an "insured".

4. **Controlled Substances** -- "We" do not pay for "bodily injury" or "property damage" that arises out of the use, sale, manufacture, delivery, transfer, or possession by any person of Controlled Substances as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812, including any amendments. Controlled Substances include but are not limited to cocaine, LSD, marijuana, and all narcotic or hallucinogenic drugs.

However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

From Definitions: "Bodily Injury"
"Bodily injury" does not mean bodily harm, sickness, disease, or death that arises out of:

- a. a communicable disease;
- f. the use, sale, manufacture, delivery, transfer, or possession by any person of Controlled Substances as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812, including any amendments. Controlled Substances include but are not limited to cocaine, LSD, marijuana, and all narcotic or hallucinogenic drugs. However, this does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

In the proposed form, the exclusions for communicable disease, sexual molestation, mental abuse, physical abuse, corporal punishment, and controlled substances are set forth under the Exclusions That Apply To Coverage X And Coverage Y rather than in the definition of "bodily injury".

The proposed form's exclusion applies to property damage as well as bodily injury, and it specifies that it applies to the *transmission* of a communicable disease *by an insured*.

As noted above, the exclusion for controlled substances applies not only to bodily injury but to property damage as well.

<p style="text-align: center;">AAIS PROPOSED BT 0100 05 08</p>	<p style="text-align: center;">AAIS CURRENT BT 0100 11 99</p>	<p style="text-align: center;">COMMENTS</p>
<p>5. Criminal Acts -- "We" do not pay for "bodily injury" or "property damage" that arises out of the criminal acts of an "insured" including illicit transportation or trade.</p> <p>6. Intentional Acts -- "We" do not pay for "bodily injury" or "property damage" that results from an intentional act of an "insured".</p> <p>a. "Bodily injury" or "property damage" that results from an intentional act of an "insured" includes, but is not limited to, "bodily injury" and "property damage" that is:</p> <p>1) expected, directed, or intended by an "insured"; or</p> <p>2) the result of an intentional and malicious act by or at the direction of an "insured".</p> <p>b. The intentional acts exclusion applies even if the "bodily injury" or "property damage":</p> <p>1) that occurs is different than what was expected, directed, or intended by the "insured"; or</p> <p>2) is suffered by persons, entities, or property not expected, directed, or intended by the "insured".</p> <p>This exclusion does not apply to "bodily injury" or "property damage" that arises out of the use of reasonable force by an "insured" to protect people or property.</p>	<p>1. that occurs while "covered property" or a "non-owned boat" is being used:</p> <p>b. in illegal transportation or trade;</p> <p>2. that results from an intentional and malicious act by or at the direction of an "insured"; that is expected by, directed by, or intended by an "insured"; or that is the result of a criminal act of an "insured".</p> <p>This exclusion applies even if:</p> <p>a. the "bodily injury" or "property damage" that occurs is different than what was expected by, directed by, or intended by the "insured"; or</p> <p>b. the "bodily injury" or "property damage" is suffered by someone other than the person or persons expected by, directed by, or intended by the "insured".</p> <p>However, this exclusion does not apply to "bodily injury" or "property damage" that arises out of the use of reasonable force to protect people or property.</p>	<p>The proposed form combines the exclusions for criminal acts and illegal transportation into one exclusion titled <i>Criminal Acts</i>. The current form separated the two.</p> <p>The proposed form specifies that an intentional act <i>includes but is not limited to</i> acts that are expected, directed or intended by an insured and those that are the result of an intentional and malicious act. The exclusion for criminal acts has been separated from the intentional acts exclusion.</p> <p>No change.</p> <p>The proposed form specifies that the exclusion also applies if the damages suffered are suffered by <i>entities</i>, or <i>property</i> not expected, directed, or intended by the "insured"</p> <p>The proposed form specifies that the exception applies to the use of reasonable force <i>by an insured</i> to protect people or property.</p>

AAIS PROPOSED BT 0100 05 08	AAIS CURRENT BT 0100 11 99	COMMENTS
<p>7. Land Transportation -- "We" do not pay for "bodily injury" or "property damage" while "covered property" or a "non-owned boat" is being transported by a land vehicle or a trailer.</p> <p>8. Non-Permissive Users -- "We" do not pay for "bodily injury" or "property damage" to anyone using "covered property" or a "non-owned boat" without the permission of an "insured".</p> <p>9. Nuclear Energy -- "We" do not pay for "bodily injury" or "property damage" that results directly or indirectly from an "occurrence" for which an "insured" is also an insured under a nuclear energy liability policy or would be an insured but for the exhaustion of its "limits".</p> <p>A nuclear energy liability policy is a policy issued by American Nuclear Insurers, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or their successors.</p> <p>10. Parasailing Or Kite Skiing -- "We" do not pay for "bodily injury" or "property damage" that occurs while "covered property" or a "non-owned boat" is towing a parasail, kite, hang glider, or a similar device designed for flight.</p> <p>11. Pollution Damage -- "We" do not pay for "bodily injury" or "property damage" that arising out of the actual, alleged, or threatened discharge, dispersal, emission, leaching, seepage, migration, release, spillage or escape of "pollutants" into or upon land, water, or air.</p>	<p>4. while "covered property" or a "non-owned boat" is: c. being transported by a land vehicle or a trailer; or</p> <p>5. to anyone using "covered property" or a "non-owned boat" without the permission of an "insured".</p> <p>10. that results directly or indirectly from an "occurrence" for which an "insured" is also an insured under a nuclear energy liability policy or would be an insured but for the exhaustion of its "limits". (A nuclear energy liability policy is a policy issued by American Nuclear Insurers, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or their successors.)</p> <p>8. to persons while they are being towed by "covered property" or a "non-owned boat" in or on a parasail, hang glider, or a similar device designed for flight.</p> <p>6. that results from the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of "pollutants" into or upon land, water, or air.</p>	<p>No change.</p> <p>No change.</p> <p>No change.</p> <p>In the proposed form, the exclusion applies to all damages resulting from parasailing, kite skiing and similar activities. The current exclusion only applies to injuries sustained by individuals being towed by such devices.</p> <p>The proposed form specifies that emission, leaching and spillage of pollutants are also excluded.</p>

<p style="text-align: center;">AAIS PROPOSED BT 0100 05 08</p>	<p style="text-align: center;">AAIS CURRENT BT 0100 11 99</p>	<p style="text-align: center;">COMMENTS</p>
---	--	--

"We" do cover the discharge, dispersal, emission, leaching, seepage, migration, release, spillage or escape of "pollutants" if it is sudden and accidental.

12. **Professional Services** -- "We" do not pay for "bodily injury" or "property damage" that arises out of the rendering of or the failure to render a professional service.

13. **Racing Or Speed Tests** -- "We" do not pay for "bodily injury" or "property damage" that occurs while "covered property" or a "non-owned boat" is involved in an organized or impromptu race including, but not limited, to:

- a. preparation for a race;
- b. participation in a race; or
- c. practicing or qualifying for a race.

A race means any competition for speed or endurance whether against another competitor or time.

"We" also do not pay for "bodily injury" or "property damage" that occurs while "covered property" or a "non-owned boat" is involved in an organized or impromptu contest involving stunts.

This exclusion does not apply to sailboats in an organized or impromptu race.

"We" do cover the discharge, dispersal, seepage, migration, release, or escape of "pollutants" if it is sudden or accidental.

9. that arises out of the rendering of or the failure to render a professional service.

- 1. that occurs while "covered property" or a "non-owned boat" is being used:
 - d. in, or in the practice or the preparation for, an organized or official racing, speed, pulling or pushing, demolition, or stunt activity, test, or contest. However, this does not apply to sailboats.

In the proposed form there is coverage for emission, leaching, and spillage of pollutants if it is sudden or accidental.

No change.

The proposed form does not cover races or speed tests that are impromptu in nature. The form also states there is no coverage when qualifying for a race. References to pushing, pulling and demolition have been removed.

A definition for race has been added. Race is defined to mean speed and endurance competitions against competitors or time.

Language has been added to the proposed form to clarify that bodily injury is not covered while a person is involved in a contest involving stunts. As in the current form, stunt activity is not covered. As above, this exclusion applies to stunt activity that is impromptu in nature.

As in the existing form, the exclusion as written does not apply to sailboats.

AAIS PROPOSED BT 0100 05 08	AAIS CURRENT BT 0100 11 99	COMMENTS
<p>14. War Or Military Action -- "We" do not pay for "bodily injury" or "property damage" that results directly or indirectly from war or military action including:</p> <ul style="list-style-type: none"> 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. <p>Discharge of a nuclear weapon is deemed a warlike action even if it is accidental.</p> <p>ADDITIONAL EXCLUSIONS THAT APPLY ONLY TO COVERAGE X -- PERSONAL LIABILITY</p> <p>The following exclusions apply to Coverage X -- Personal Liability:</p> <ul style="list-style-type: none"> 1. Contractual Liability -- "We" do not pay for "bodily injury" or "property damage" liability assumed under any contract or agreement, except a written contract relating to a dock rental or boat storage indemnity agreement. 	<p>3. that results directly or indirectly from war. (This includes undeclared war, civil war, insurrection, rebellion, revolution, warlike acts by a military force or military personnel, or destruction, seizure, or use of property for a military purpose. Discharge of a nuclear weapon is deemed a warlike act even if accidental.)</p> <p>ADDITIONAL EXCLUSIONS THAT APPLY ONLY TO COVERAGE X</p> <p>"We" do not pay for:</p> <ul style="list-style-type: none"> 1. "bodily injury" or "property damage" liability assumed under any contract or agreement, except a written contract relating to a dock rental or boat storage indemnity agreement. 	<p>Editorial revisions.</p> <p>The proposed form specifies that the exclusion applies to loss caused by warlike action by a military force <i>by any government, sovereign, or other authority using military personnel or other agents</i>, and also that it applies to loss caused by action in hindering or defending against an actual or expected attack.</p> <p>The proposed form specifies that the exclusion applies to loss caused by usurped power, and also that it applies to loss caused by action taken by governmental authority in hindering or defending against insurrection, rebellion, revolution, and usurped power.</p> <p>No changes.</p>

<p align="center">AAIS PROPOSED BT 0100 05 08</p>	<p align="center">AAIS CURRENT BT 0100 11 99</p>	<p align="center">COMMENTS</p>
<p>2. Employees -- "We" do not pay for "bodily injury" to an employee of an "insured" if the "bodily injury" occurs in the course of employment nor do we pay for consequential injuries to a spouse, child, parent, brother, or sister of such injured employee.</p> <p>This exclusion applies where:</p> <ul style="list-style-type: none"> a. the "insured" is liable either as an employer or in any other capacity; or b. there is an obligation to fully or partially reimburse a third person for damages arising out of the injuries described above. <p>3. Insureds -- "We" do not pay for "bodily injury" to:</p> <ul style="list-style-type: none"> a. "you"; b. "your" relatives if residents of "your" household; or c. persons under the age of 21 residing in "your" household and in "your" care or the care of "your" resident relatives. <p>4. Property Owned, Occupied, Used, Or Rented -- "We" do not pay for "property damage" to property:</p> <ul style="list-style-type: none"> a. owned by an "insured"; b. occupied or used by an "insured"; or c. rented to or in the care of an "insured". 	<p>6. "bodily injury" to an employee of an "insured" if it occurs in the course of employment, or consequential injuries to a spouse, child, parent, brother, or sister of such injured employee.</p> <p>This exclusion applies where:</p> <ul style="list-style-type: none"> a. the "insured" is liable either as an employer or in any other capacity; or b. there is an obligation to fully or partially reimburse a third person for damages arising out of the injuries described above. <p>7. "bodily injury" to "you", "your" relatives if residents of "your" household, or persons under the age of 21 residing in "your" household and in "your" care or the care of "your" resident relatives.</p> <p>3. "property damage" to property occupied or used by an "insured" or rented to or in the care of an "insured".</p>	<p>Editorial revisions; no change in intent</p> <p>No change.</p> <p>No change.</p> <p>In the proposed form, in addition to the exclusion for property occupied or used by an insured or rented or in the care of an insured, there is no coverage under Personal Liability for property owned by an "insured". Coverage for this property should be obtained under the Property Coverage section of the form.</p>

AAIS PROPOSED BT 0100 05 08	AAIS CURRENT BT 0100 11 99	COMMENTS
---------------------------------------	--------------------------------------	-----------------

However, "we" will cover "property damage" to a launching ramp, dock, or boat storage house rented solely to an "insured".

5. **Workers Compensation** -- "We" do not pay for "bodily injury" to a person if benefits are provided or are required to be provided by an "insured" under any law or regulation covering:
- a. U.S. Longshoremen's and Harbor Workers' Compensation Act;
 - b. workers' compensation;
 - c. non-occupational disability; or
 - d. occupational disease.

ADDITIONAL EXCLUSIONS THAT APPLY ONLY TO COVERAGE Y -- MEDICAL PAYMENTS

The following exclusions apply to Coverage Y -- Medical Payments:

1. **Trespassers** -- "We" do not pay for "bodily injury" to a person who is in or on "covered property" or a "non-owned boat" as a trespasser.

However, "we" will cover "property damage" to a launching ramp, dock, or boat storage house rented solely to an "insured".

4. "bodily injury" to a person if benefits are provided or are required to be provided by an "insured" under the U.S. Longshoremen's and Harbor Workers' Compensation Act, workers' compensation, non-occupational disability, or occupational disease law.

ADDITIONAL EXCLUSIONS THAT APPLY ONLY TO COVERAGE Y

"We" do not pay for:

2. "bodily injury" to a person who is in or on "covered property" or a "non-owned boat" as a trespasser.

No change.

No change.

No changes.

<p align="center">AAIS PROPOSED BT 0100 05 08</p>	<p align="center">AAIS CURRENT BT 0100 11 99</p>	<p align="center">COMMENTS</p>
--	---	---------------------------------------

2. **Workers Compensation** -- "We" do not pay for "bodily injury" to a person who is entitled to benefits that are provided or required to be provided under any law or regulation covering:
- a. U.S. Longshoremen's and Harbor Workers' Compensation Act;
 - b. workers' compensation;
 - c. non-occupational disability; or
 - d. occupational disease.

UNINSURED BOATER COVERAGE

COVERAGE Z -- UNINSURED BOATER

1. **Coverage** -- "We" pay, up to the Coverage Z -- Uninsured Boater "limit", all compensatory damages that an "insured" is legally entitled to recover from the owner or operator of an uninsured "boat" because of "bodily injury" sustained by an "insured" and arising out of the ownership, maintenance, or use of an uninsured "boat".

1. "bodily injury" to a person who is entitled to benefits that are provided or required to be provided under any U.S. Longshoremen's and Harbor Workers' Compensation Act, workers' compensation, non-occupational disability, or occupational disease law.

UNINSURED BOATERS COVERAGE

Coverage Z -- Uninsured Boaters -- "We" pay, up to "our" "limit", all compensatory damages that an "insured" is legally entitled to recover from the owner or operator of an uninsured "boat" because of "bodily injury" sustained by an "insured" and caused by an accident arising out of an uninsured "boat".

No change.

The proposed form uses the title *Uninsured Boater* rather than *Uninsured Boaters* throughout the form. This is an editorial revision only with no change in coverage or intent

The proposed form specifies the limit that applies is that of the Uninsured Boater Coverage. Also, the proposed form states that there is coverage for damages arising out of the *ownership, maintenance or use* of an uninsured boat.

<p style="text-align: center;">AAIS PROPOSED BT 0100 05 08</p>	<p style="text-align: center;">AAIS CURRENT BT 0100 11 99</p>	<p style="text-align: center;">COMMENTS</p>
<p>2. Non-Binding Judgment -- Any judgment for damages arising out of a suit brought against the owner or operator of an uninsured "boat" without "our" written consent is not binding on "us".</p> <p>3. Uninsured Boat Is -- An uninsured "boat" is a "boat" that causes "bodily injury" to an "insured" and:</p> <p>a. for which no "bodily injury" liability bond or policy applies at the time of the accident;</p> <p>b. that is a hit and run "boat" and the owner or operator of that "boat" cannot be identified; or</p> <p>c. for which "bodily injury" coverage is in force at the time of the accident but the insuring company:</p> <p style="padding-left: 20px;">1) becomes insolvent; or</p> <p style="padding-left: 20px;">2) denies the coverage.</p> <p>4. Uninsured Boat Is Not -- An uninsured "boat" is not a "boat" that is:</p> <p>a. insured under Coverage X -- Personal Liability of this form for which "we" deny coverage; or</p> <p>b. owned by a governmental unit or agency.</p>	<p>Any judgment for damages arising out of a suit brought without "our" written consent is not binding on "us".</p> <p>An uninsured "boat" is a "boat" that causes "bodily injury" to an "insured" and:</p> <p>1. for which no "bodily injury" liability bond or policy applies at the time of the accident;</p> <p>2. that is a hit and run "boat" and the owner or operator of that "boat" cannot be identified; or</p> <p>3. for which "bodily injury" coverage is in force at the time of the accident but the insuring company:</p> <p style="padding-left: 20px;">a. becomes insolvent; or</p> <p style="padding-left: 20px;">b. denies the coverage.</p> <p>However, this does not include a "boat" that is covered under Coverage X of this form if "we" deny coverage for the accident under the "terms" of Coverage X or Y.</p> <p><i>From Uninsured Boater Exclusions:</i></p> <p>6. who is struck by an uninsured "boat" that is owned by a governmental unit or agency.</p>	<p>No change.</p> <p>No change.</p> <p>No change.</p> <p>No change.</p> <p>No change.</p> <p>Editorial revision.</p> <p>The proposed form specifies that a boat owned by a governmental unit or agency is not an uninsured boat. The current form instead excludes bodily injury to a person who is struck by an <i>uninsured</i> boat that is owned by a governmental unit or agency.</p>

AAIS PROPOSED

BT 0100 05 08

AAIS CURRENT

BT 0100 11 99

COMMENTS**EXCLUSIONS THAT APPLY TO
COVERAGE Z -- UNINSURED BOATER**

The following exclusions apply to Coverage Z -- Uninsured Boater:

1. **Business Pursuits** -- "We" do not pay for "bodily injury" to an "insured" while using or occupying "covered property" or a "non-owned boat" that is:
 - a. being used in a "business";
 - b. hired out or chartered for the use of others;
 - c. used to transport people or goods for a fee; or
 - d. rented to others.
2. **Criminal Acts** -- "We" do not pay for "bodily injury" to a person injured while involved in an illegal or criminal act including illegal trade or transportation.
3. **Owned Or Rented Property** -- "We" do not pay for "bodily injury" to a person who occupies, or is struck by, a "boat" that is not covered under Coverage X -- Personal Liability, and that is owned by, rented to, or available for the regular use of:
 - a. "you";
 - b. "your" relatives if residents of "your" household; or

**EXCLUSIONS THAT APPLY TO UNINSURED
BOATERS COVERAGE**

2. while that person occupies "covered property" or a "non-owned boat" that is:
 - a. used to transport people or goods for a fee;
 - b. rented to others;
 - c. used for business by an "insured"; or
 - d. hired out or chartered for the use of others.

"We" do not pay for "bodily injury" to a person:

1. who occupies, or is struck by, a "boat" that is not covered under Coverage X and that is owned by:
 - a. "you";
 - b. "your" relatives if residents of "your" household; or

In the proposed form, the business exclusion applies while that person occupies a boat being used in a "business". With the current form, the exclusion applies only when the person occupies a boat used for business by the insured.

In the proposed form, an exclusion has been added for injuries that occur while that person is involved in an illegal or criminal act.

Under the proposed form, Uninsured Boaters does not apply to a person occupying or struck by a "boat" that is owned by, *rented to, or available for the regular use of an insured.*

AAIS PROPOSED BT 0100 05 08	AAIS CURRENT BT 0100 11 99	COMMENTS
<p>c. persons under the age of 21 residing in "your" household and in "your" care or the care of "your" resident relatives.</p> <p>4. Racing Or Speed Tests -- "We" do not pay for "bodily injury" to a person while that person is involved in an organized or impromptu race including, but not limited, to:</p> <p>a. preparation for a race;</p> <p>b. participation in a race; or</p> <p>c. practicing or qualifying for a race.</p> <p>A race means any competition for speed or endurance whether against another competitor or time.</p> <p>"We" also do not pay for "bodily injury" to a person while that person is involved in an organized or impromptu contest involving stunts.</p> <p>This exclusion does not apply to sailboats in an organized or impromptu race.</p> <p>5. Settled Claims -- "We" do not pay for "bodily injury" to a person or that person's legal representative who settles a "bodily injury" claim with any person who may be liable without "our" consent.</p>	<p>c. persons under the age of 21 residing in "your" household and in "your" care or the care of "your" resident relatives.</p> <p>5. while "covered property" or a "non-owned boat" is used in, or in the practice or the preparation for, an organized or official racing, speed, pulling or pushing, demolition, or stunt activity, test, or contest. However, this does not apply to sailboats.</p> <p>4. or that person's legal representative who settles a "bodily injury" claim without "our" consent.</p>	<p>The proposed form does not cover races or speed tests that are impromptu in nature. The form also states there is no coverage when qualifying for a race. References to pushing, pulling and demolition have been removed.</p> <p>A definition for race has been added. Race is defined to include speed and endurance competitions against competitors or time.</p> <p>Language has been added to the proposed form to clarify that bodily injury is not covered while a person is involved in a contest involving stunts. As in the current form, stunt activity is not covered. As above, this exclusion applies to stunt activity that is impromptu in nature.</p> <p>As in the existing form, the exclusion as written does not apply to sailboats.</p> <p>The proposed form specifies that the exclusion applies if the person or that person's representative settles a claim with <i>any person who may be liable</i>.</p>

AAIS PROPOSED BT 0100 05 08	AAIS CURRENT BT 0100 11 99	COMMENTS
---------------------------------------	--------------------------------------	-----------------

6. **Trespassers** -- "We" do not pay for "bodily injury" to a person who is in or on "covered property" or a "non-owned boat" as a trespasser.

ARBITRATION -- COVERAGE Z -- UNINSURED BOATER

The following arbitration provisions apply to Coverage Z -- Uninsured Boater:

1. **Conditions For Arbitration** -- If an "insured" and "we" do not agree:
 - a. whether an "insured" is legally entitled to recover damages; or
 - b. as to the amount of damages;

either party may make a written request for arbitration. Arbitration will only take place if "you" and "we" agree to arbitrate the dispute.

2. **Selecting An Arbitrator** -- Each party will select an arbitrator and notify the other of the arbitrator's identity within 20 days after the receipt of the written request. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction.

3. who is in or on "covered property" or a "non-owned boat" as a trespasser.

ARBITRATION

If "we" and an "insured" do not agree whether that person is legally entitled to recover damages under Coverage Z, or as to the amount of damages, either party may make a written demand for arbitration.

In that event, each party will select an arbitrator and notify the other of the arbitrator's identity within 20 days after the receipt of the written demand. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction.

No change.

An introductory paragraph is added to the proposed form.

The proposed form states that either party may make a written *request* for arbitration rather than a written *demand*. The proposed form also states that both parties must agree to arbitrate the dispute.

No change.

<p align="center">AAIS PROPOSED BT 0100 05 08</p>	<p align="center">AAIS CURRENT BT 0100 11 99</p>	<p align="center">COMMENTS</p>
--	---	---------------------------------------

- 3. **Location And Rules For Arbitration** -- Arbitration will take place in the county in which the "insured" lives, unless both parties agree otherwise. Local rules of law regarding procedure and evidence will apply.
- 4. **Arbitrators Decision** -- Any decision by the arbitrators will not be binding on either party. The arbitrators may not award more than the "limits" available.
- 5. **Expenses** -- Each party will pay the expenses it incurs and bear the expenses of the third arbitrator and all other expenses equally.

WHAT MUST BE DONE IN CASE OF LOSS

The following duties apply in the event of a loss. These duties must be performed by "you", "your" representative, an "insured" seeking coverage, or the representative of an "insured" seeking coverage under this form. "We" are not obligated to provide the coverages described in this form if "your" failure to perform these duties is prejudicial to "us".

Arbitration will take place in the county in which the "insured" lives, unless both parties agree otherwise. Local rules of law regarding procedure and evidence will apply.

A written agreement by two of the arbitrators will be binding as to whether the "insured" is legally entitled to recover damages and the amount of damages.

Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.

WHAT MUST BE DONE IN CASE OF LOSS

No change.

Under the proposed form, arbitration is not binding. There is also a clarification that arbitrators cannot award more than the limits that are available.

Language has been added to the proposed form to clarify that in addition to the expenses of the third arbitrator any other expenses will be shared equally by the parties.

The proposed form includes an introductory paragraph that outlines who is responsible for performing the duties. Further, the company is not obligated to provide coverage if an insured's failure to perform the duties is prejudicial to the company.

AAIS PROPOSED BT 0100 05 08	AAIS CURRENT BT 0100 11 99	COMMENTS
---------------------------------------	--------------------------------------	-----------------

1. **Duties -- All Coverages**

a. **Notice**

1) **Notice To Us** -- In case of a loss, an "insured" must promptly give "us" or "our" agent notice. "We" may request written notice. The notice to "us" must state:

- a) the name of the "insured";
- b) the policy number;
- c) the time, place, and details of the loss; and
- d) names and addresses of all known witnesses and potential claimants.

2) **Notice To Others** -- "You" must also give notice to the U.S. Coast Guard, police, or local authority when there is a loss involving "covered property" or a "non-owned boat" and:

- a) the disappearance of a person from a "boat";
- b) the loss of life; or
- c) theft, vandalism or other criminal act.

b. **Cooperation** -- All "insureds" seeking coverage and the representative or representatives of all "insureds" seeking coverage must cooperate with "us" in any matter concerning a claim or lawsuit.

1. **Notice** -- In case of a loss, the "insured" must promptly give "us" or "our" agent notice ("we" may request written notice) and give notice to the police when the act that causes the loss is a theft or crime.

The notice to "us" must state:

- a. the name of the "insured", the policy number, and the time, place, and the details of the loss; and
- b. names and addresses of all known witnesses and potential claimants.

2. **Cooperation** -- The "insured" must cooperate with "us" in performing all acts required by this form.

The proposed form separates Duties into those for All Coverages, Property, and Liability.

Editorial revision and formatting changes are made with no change in intent

In the proposed form notice must be made to *U.S. Coast Guard, police, or other local authority*. In the current form only notice to the police is required. Reasons for notifying authorities include disappearance of person from the boat, loss of life and theft, vandalism, or other criminal act.

The proposed form states that the loss must involve "covered property" or a "non-owned boat".

In the proposed form, *all insureds* seeking coverage and *representatives* of an insured seeking coverage must cooperate with the company in the investigation of a claim or lawsuit.

AAIS PROPOSED BT 0100 05 08	AAIS CURRENT BT 0100 11 99	COMMENTS
---------------------------------------	--------------------------------------	-----------------

<p>c. Volunteer Payments -- An "insured" must not make payments, pay or offer rewards, or assume obligations or other costs, except at the "insured's" own cost. This does not apply to costs that are allowed by the "terms" of this form.</p>	<p>3. Volunteer Payments -- An "insured" must not make payments, pay or offer rewards, or assume obligations or other costs, except at the "insured's" own cost. This does not apply to costs that are allowed by the "terms" of this form.</p>	<p>No change.</p>
<p>2. Other Duties -- Property Coverages</p>	<p>5. Other Duties -- Property Coverages -- At "our" request the "insured" must:</p>	<p>No changes.</p>
<p>a. Proof Of Loss: At "our" request the "insured" must give "us" a signed and sworn proof of loss within 60 days after "our" request that shows:</p> <ol style="list-style-type: none"> 1) the time, place, and details of the loss; 2) the interest of the "insured" and of all others in the property including all mortgages and liens; 3) other policies that may cover the loss; 4) changes in title or use of the property during the policy period; 5) detailed estimates for repair or replacement; and 6) in detail, the quantity, description, cost, amount of loss, and "actual cash value" of the property involved in the loss. The "insured" must give "us" copies of all bills, receipts, and related documents to confirm these. 	<p>a. give "us" a signed and sworn proof of loss, within 60 days after "our" request, that shows:</p> <ol style="list-style-type: none"> 1) the time, place, and the details of the loss; 2) the interest of the "insured" and of all others in the property. This includes all mortgages and liens; 3) other policies that may cover the loss; 4) changes in title or use; 5) detailed estimates for repair or replacement; and 6) in detail, the quantity, description, cost, amount of loss, and actual cash value of the property involved in the loss. The "insured" must give "us" copies of all bills, receipts, and related documents to confirm these; 	

<p style="text-align: center;">AAIS PROPOSED BT 0100 05 08</p>	<p style="text-align: center;">AAIS CURRENT BT 0100 11 99</p>	<p style="text-align: center;">COMMENTS</p>
---	--	--

b. **Repairs** -- An "insured" must take all reasonable steps to protect property covered under this form at the time of and after an insured loss to avoid further loss. "We" will pay the reasonable costs incurred by an "insured" for necessary repairs or emergency measures performed solely to protect "covered property" and "boating equipment" from further loss following a loss "we" cover. An "insured" must keep an accurate record of such costs.

This does not increase "our" "limit".

c. **Examination Under Oath:** At "our" request "insureds" must submit to examination under oath and sign such statements made under oath in matters that relate to the loss or claim. If more than one person is examined, "we" have the right to examine and receive statements separately from each person and not in the presence of other "insureds".

d. **Show Damaged Property:** As often as "we" reasonably request "we" must be shown the damaged property and be allowed to inspect and take samples of the property for inspection, testing, and analysis.

4. **Repairs** -- The "insured" must take all reasonable steps to protect property covered under this form at and after an insured loss to avoid further loss. "We" will pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect property covered under this form from further damage by a peril insured against if a peril insured against has already caused a loss to property covered under this form. The "insured" must keep an accurate record of such costs. However, "we" will not pay for such repairs or emergency measures performed on property that has not been damaged by a peril insured against. This does not increase "our" "limit".

5. **Other Duties -- Property Coverages** -- At "our" request the "insured" must:

b. submit to examination under oath in matters that relate to the loss or claim as often as "we" reasonably request. If more than one person is examined, "we" have the right to examine and receive statements separately from each person and not in the presence of other "insureds";

5. **Other Duties -- Property Coverages** -- At "our" request the "insured" must:

c. show the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect and take samples of the property;

Editorial revision.

The proposed form specifies that the company will pay for the costs to protect "covered property" and "boating equipment" rather than *property covered under this form*.

Since the Repairs clause references insured losses, there is no need to state that the property must be damaged by a *peril insured against*.

The proposed form requires the statements made under oath must be signed at the company's request.

Editorial revisions. The proposed form states the samples may be inspected, tested and analyzed. The proposed form does not require the insured show undamaged property.

AAIS PROPOSED BT 0100 05 08	AAIS CURRENT BT 0100 11 99	COMMENTS
<p>e. Records And Documents: As often as "we" reasonably request, "we" must be given requested records, including but not limited to tax returns and bank records of all canceled checks, that relate to the value, loss, and costs and be permitted to make copies of such records and documents.</p> <p>f. Assistance With Enforcing Right Of Recovery: At "our" request, "we" must be given assistance with enforcing any right of recovery that an "insured" may have against a party causing the loss.</p>	<p>5. Other Duties -- Property Coverages -- At "our" request the "insured" must:</p> <p>d. show records, including tax returns and bank records of all canceled checks, that relate to the value, loss, and costs, and permit copies to be made of them as often as "we" reasonably request; and</p>	<p>The proposed form states that the records the insured may be required to provide are not limited to tax returns and bank records of all canceled checks.</p>
<p>3. Other Duties -- Coverage X -- Personal Liability and Coverage Z -- Uninsured Boater</p> <p>a. Notices, Demands And Legal Papers: In case of an "occurrence" that might result in a claim, an "insured" must promptly give "us" copies of all notices, demands, and legal papers that relate to the "occurrence" or the claim.</p>	<p>5. Other Duties -- Property Coverages -- At "our" request the "insured" must:</p> <p>e. assist "us" to enforce any right of recovery that the "insured" may have against a party causing the loss.</p>	<p>Minor editorial revision.</p>
<p>b. Assistance With Claims And Suits: At "our" request, an "insured" must help "us":</p> <ol style="list-style-type: none"> 1) to settle a claim; 2) to conduct suits including being at trials and hearings; 	<p>6. Other Duties -- Coverages X and Z --</p> <p>In case of an "occurrence" that might result in a claim, the "insured" must promptly give "us" copies of all notices, demands, and legal papers that relate to the "occurrence" or the claim.</p> <p>At "our" request, the "insured" must help "us":</p> <ol style="list-style-type: none"> a. to settle a claim; b. to conduct suits. This includes being at trials and hearings; 	<p>No change.</p> <p>No change.</p>

AAIS PROPOSED BT 0100 05 08	AAIS CURRENT BT 0100 11 99	COMMENTS
<p>3) to enforce the right of recovery or indemnification against all parties who may be liable to an "insured" for the injury or damage;</p> <p>4) in the securing of and giving of evidence; and</p> <p>5) in obtaining the attendance of all witnesses at all related proceedings requiring their attendance.</p> <p>4. Other Duties -- Coverage Y -- Medical Payments -- In case of an accident, the injured person or someone acting on behalf of that person must:</p> <p>a. give "us" written proof of claim (under oath if "we" request) as soon as practical; and</p> <p>b. authorize "us" to get copies of medical records.</p> <p>The injured person must submit to physical examinations by doctors chosen by "us" when and as often as "we" may reasonably require.</p>	<p>c. to enforce the right of recovery or indemnification against all parties who may be liable to an "insured" for the injury or damage;</p> <p>d. in the securing of and giving of evidence; and</p> <p>e. in obtaining the attendance of all witnesses at all related proceedings requiring their attendance.</p> <p>7. Other Duties -- Coverage Y -- In case of an accident, the injured person or someone acting on behalf of that person must:</p> <p>a. give "us" written proof of claim (under oath if "we" request) as soon as practical; and</p> <p>b. authorize "us" to get copies of medical records.</p> <p>The injured person must submit to physical exams by doctors chosen by "us" when and as often as "we" may reasonably require.</p>	<p>No change.</p> <p>Minor editorial revision.</p>

AAIS PROPOSED

BT 0100 05 08

AAIS CURRENT

BT 0100 11 99

COMMENTS**HOW MUCH WE PAY****1. Property Coverages**

- a. **Actual Cash Value** -- Losses to "covered property" and "boating equipment" are settled on an "actual cash value" basis. "We" will pay the lesser of the following amounts:
- 1) the "actual cash value" of the property at the time of loss;
 - 2) the amount spent to repair or replace the damaged property with material of like kind and quality according to the manufacturer's specifications or accepted repair practices; and
 - 3) any policy "limits" which apply.
- b. **Deductible**
- 1) **Deductible Amount** -- Subject to the "limits" that apply, "we" pay only that part of "your" loss over the deductible shown on the "declarations". This applies to all Property Coverages except Emergency Service.

HOW MUCH WE PAY**1. Property Coverages**

- Actual cash value includes a deduction for depreciation, however caused.
- a. **Deductible** -- This applies to all the Principal Property Coverages and all the Additional Property Coverages except Emergency Service. "We" pay only that part of "your" loss over the deductible. Not more than one deductible applies per loss. When a loss affects two or more items with different deductible amounts, the highest deductible applies.

Actual cash value is now a defined term.

In the proposed form, losses are settled on an actual cash value basis. The amount of payment will be the lesser of the actual cash value, the amount spent to repair or replace the damaged property with material of like kind and quality according to manufacturer's specifications or accepted repair practices, and any policy limit that applies.

The current form provides coverage for the insured boat on an agreed value basis. A new optional Agreed Value Settlement Provision endorsement is being introduced at this time

Editorial revision.

AAIS PROPOSED BT 0100 05 08	AAIS CURRENT BT 0100 11 99	COMMENTS
---------------------------------------	--------------------------------------	-----------------

- 2) **More Than One Deductible** -- Except as noted under More Than One Boat, only one deductible applies per loss. When a loss affects two or more items with different deductible amounts, the highest deductible applies.
- 3) **More Than One Boat** --If we cover more than one "boat", a deductible applies to each "boat" and its "motor" and "boat trailer" as shown on the "declarations".

- c. **Loss To Parts** -- If there is a loss to a part of an item that consists of several parts when it is complete, "we" pay only for the value of the lost or damaged part or the cost to repair or replace the part.
- d. **Insurable Interest** -- Even if more than one person has an insurable interest in the property that is covered, "we" pay no more than the amount of "your" interest in the property.

- b. **Loss to Parts** -- If there is a loss to a part of an item that consists of several parts when it is complete, "we" pay only for the value of the lost or damaged part or the cost to repair or replace it.
- c. **Insurable Interest** -- Even if more than one person has an insurable interest in the property that is covered, "we" pay no more than the amount of "your" interest in the property.

- d. **Breakage of Glass** -- When breakage of glass is covered, "we" pay to replace the damaged glass with safety glazing materials if required by code, ordinance, or law.

No change.

The proposed form specifies that if multiple boats are insured, a deductible applies to each boat and its motor and trailer. For example, if two boats insured under the form collide, a deductible would apply to each boat.

No change.

No change.

In the proposed form, the Breakage of Glass clause is removed. Since the form provides for the repair or replacement of damaged property with material of like kind and quality according to the manufacturer's specifications or accepted repair practices, this condition is already accounted for.

- e. **Loss Settlement Terms -- Boats Described on the Declarations --**
Subject to 1.a. through 1.d. above, the following applies:
- 1) **Total Loss** -- If there is a total or constructive total loss to a "boat" described on the "declarations", "we" will pay no more than the "limit" shown on the "declarations" for that "boat" even if the expense of recovering, repairing, replacing, or rebuilding exceeds that "limit".
 - 2) **Other Loss Which You Repair or Replace** -- (This does not apply to canvas, sails, or rigging.) If there is a loss to a "boat" described on the "declarations", other than a total or constructive total loss, which "you" repair or replace, "we" will pay the cost of repair or replacement, without deduction for depreciation, but not exceeding the lesser of:
 - a) the "limit" shown on the "declarations" for the damaged "boat";
 - b) the replacement cost of the damaged part of the "boat"; or
 - c) the amount spent to repair or replace the damaged part of the "boat" with material of like kind and quality according to the manufacturers' specifications or accepted repair practices.

Since all losses are settled on an actual cash value basis, this provision is removed from the proposed form.

AAIS PROPOSED

BT 0100 05 08

AAIS CURRENT

BT 0100 11 99

COMMENTS

3) **Other Loss Which You Do Not Repair or Replace and Loss To Canvas, Sails, or Rigging** -- If there is a loss to a "boat" described on the "declarations", other than a total or constructive total loss, which "you" do not repair or replace, or loss to canvas, sails, or rigging, "we" will pay the lesser of:

- a) the "limit" shown on the "declarations" for the damaged "boat";
- b) the actual cash value of the damaged part of the "boat" at the time of the loss; or
- c) the amount needed to repair or replace the damaged part of the "boat" with material of like kind and quality according to the manufacturers' specifications or accepted repair practices.

f. **Loss Settlement Terms -- Other Boats**

-- Subject to 1.a through 1.d above, if there is a loss to a "boat" other than a "boat" described on the "declarations", "we" will pay the lesser of:

- 1) the "limit" that applies to the damaged "boat";
- 2) the actual cash value of the damaged part of the "boat" at the time of the loss; or
- 3) the amount needed to repair or replace the damaged "boat" with material of like kind and quality according to the manufacturers' specifications or accepted repair practices.

Since all losses are settled on an actual cash value basis, this provision is removed from the proposed form.

This provision has been removed from the proposed form. There is no coverage under the proposed form for damage to boats not on the policy declarations other than those covered under Additional Property Coverages, Newly Acquired Boats.

AAIS PROPOSED

BT 0100 05 08

AAIS CURRENT

BT 0100 11 99

COMMENTS**2. Liability Coverages****a. Coverage X -- Personal Liability --**

The "limit" shown on the "declarations" for Coverage X -- Personal Liability, is the most "we" pay for each "occurrence". This applies regardless of the number of:

- 1) persons insured under this form;
- 2) parties who sustain injury or damage;
- 3) claims made or suits brought;
- 4) "boats", "motors", "boat trailers" or premiums shown on the "declarations";
- 5) "boats", "motors", or "boat trailers" involved in the accident; or
- 6) policy periods involved.

All "bodily injury" and "property damage" arising out of any one accident or out of repeated exposures to similar conditions will be considered one "occurrence".

g. **Loss Settlement Terms -- All Other Property** -- Subject to 1.a. through 1.d. above, if there is a loss to property other than a "boat", "we" will pay the lesser of:

- 1) the "limit" that applies to the damaged property;
- 2) the actual cash value of the damaged property at the time of loss; or
- 3) the amount needed to repair or replace the damaged property with material of like kind and quality to the extent practical.

2. Liability Coverages**a. Coverage X --** The "limit" shown on the

"declarations" for Coverage X is the most "we" pay for each "occurrence". This applies regardless of the number of:

- 1) persons insured under this form;
- 2) parties who sustain injury or damage;
- 3) claims made or suits brought;
- 4) "boats" or premiums shown on the "declarations"; or
- 5) "boats" involved in the accident.

This provision has been removed from the proposed form as all losses are settled on an actual cash value basis.

The proposed form clarifies that the Coverage X limit applies regardless of the number of motors or boat trailers shown on the declarations as well as policy periods involved.

Further, the proposed form specifies that all bodily injury and property damage arising out of one accident or out of repeated exposures to similar conditions is considered one occurrence. This supports the definition of the term "occurrence" which is defined as repeated exposures to similar conditions, resulting in bodily injury or property damage during the policy period.

AAIS PROPOSED BT 0100 05 08	AAIS CURRENT BT 0100 11 99	COMMENTS
<p>b. Coverage Y -- Medical Payments</p> <p>1) Limit -- The "limit" shown on the "declarations" for Coverage Y -- Medical Payments, is the most "we" will pay for all medical expenses payable for "bodily injury" to one person as the result of an accident.</p> <p>2) Reduction Of Amounts Payable -- Medical expenses payable under Coverage Y -- Medical Payments, will be reduced by the amount payable or paid for the same expenses under Coverage Z -- Uninsured Boater, or Coverage X -- Personal Liability.</p> <p>3) No Admission Of Liability -- The payment of a claim under Coverage Y -- Medical Payments is not an admission that "we" are liable under Coverage X -- Personal Liability.</p> <p>3. Coverage Z -- Uninsured Boater</p> <p>a. Limit -- The "limit" shown on the "declarations" for Coverage Z -- Uninsured Boater, is the most "we" pay for each accident. This applies regardless of the number of:</p> <p>1) persons insured under this form; 2) parties who sustain injury or damage; 3) claims made or suits brought;</p>	<p>b. Coverage Y -- The "limit" shown on the "declarations" per person for Coverage Y is the most "we" will pay for all medical expenses payable for "bodily injury" to one person as the result of an accident.</p> <p>Medical expenses payable under Coverage Y will be reduced by the amount payable or paid for the same expenses under Coverage Z.</p> <p>If a "limit" is shown on the "declarations" per accident for Coverage Y, that "limit" is the most "we" pay for any one accident.</p> <p>The payment of a claim under Coverage Y does not mean "we" admit "we" are liable under Coverage X.</p> <p>3. Coverage Z -- The "limit" shown on the "declarations" for Coverage Z is the most "we" pay for each accident. This applies regardless of the number of:</p> <p>a. persons insured under this form; b. parties who sustain injury or damage; c. claims made or suits brought;</p>	<p>Editorial revision.</p> <p>The proposed form clarifies that a reduction in the amount paid or payable under Coverage Y will be made for the same amount paid or payable under Coverage X in addition to Coverage Z.</p> <p>In the proposed form, reference to a per accident limit for Coverage Y is removed.</p> <p>Editorial revision with no change in intent.</p>

AAIS PROPOSED BT 0100 05 08	AAIS CURRENT BT 0100 11 99	COMMENTS
--	---	-----------------

- 4) "boats", "motors", "boat trailers" or premiums shown on the "declarations";
- 5) "boats", "motors", or "boat trailers" involved in the accident; or
- 6) policy periods involved.

b. Reduction Of Amounts Payable --
Amounts otherwise payable for damages under Coverage Z -- Uninsured Boater, will be reduced by:

- 1) amounts paid because of "bodily injury" by or on behalf of persons or organizations who may be legally responsible including amounts paid under Coverage X -- Personal Liability; and
- 2) amounts paid or payable for "bodily injury" under any law or regulation covering:
 - a) U.S. Longshoremen's and Harbor Workers' Compensation Act;
 - b) workers' compensation;
 - c) non-occupational disability; or
 - d) occupational disease.

- d. "boats" or premiums shown on the "declarations"; or
- e. "boats" involved in the accident.

Amounts otherwise payable for damages under Coverage Z will be reduced by:

- a. amounts paid because of "bodily injury" by or on behalf of persons or organizations who may be legally responsible. This includes amounts paid under Coverage X; and
- b. amounts paid or payable for "bodily injury" under any U.S. Longshoremen's and Harbor Workers' Compensation Act, workers compensation, non-occupational disability, or occupational disease law.

The proposed form clarifies that the Coverage Z limit applies regardless of the number of motors or boat trailers show on the declarations as well as policy periods involved.

As under Liability Coverages, the proposed form specifies that the limits on the declarations apply regardless of the number of policy periods involved.

Editorial and format revisions; no change in intent

AAIS PROPOSED

BT 0100 05 08

AAIS CURRENT

BT 0100 11 99

COMMENTS

Amounts payable to an "insured" under Coverage Z -- Uninsured Boater will reduce the amounts that person is entitled to recover for the same damages under Coverage X -- Personal Liability and Coverage Y -- Medical Payments.

4. **Insurance Under More Than One Coverage** -- If more than one coverage of this form applies to the same loss, "we" pay no more than the actual claim, loss, or damage sustained.

5. **Insurance Under More Than One Policy**

- a. If this form and any other form or policy issued to "you" by "us" apply to the same loss or claim, "our" maximum "limit" under all such insurance will not exceed the highest applicable "limit" under any one form or policy.

However, if the other insurance is specifically written as excess over this form, the "limit" of this form applies first.

- b. If other insurance that applies to the loss or claim is provided under a policy that has not been issued to "you" by "us", "we" will pay the following:

- 1) **Property Coverage** -- "We" pay "our" share of the loss. "Our" share is that part of the loss that the "limit" of this form bears to the total amount of insurance that applies to the loss.

Amounts payable under Coverage Z will reduce the amounts that person is entitled to recover for the same damages under Coverage X and Coverage Y.

4. **Insurance Under More Than One Coverage** -- If more than one coverage of this form applies to a loss, "we" pay no more than the actual loss.

5. **Insurance Under More Than One Form or Policy** --

- a. If this form and any other form or policy issued to "you" by "us" apply to the same loss or claim, "our" maximum "limit" under all such insurance will not exceed the highest applicable "limit" under any one form or policy.

- b. If other insurance that applies to the loss or claim is provided under a form or policy that has not been issued to "you" by "us" for:

- 1) **Property Coverage** -- "We" pay "our" share of the loss. "Our" share is that part of the loss that the "limit" of this form bears to the total amount of insurance that applies to the loss. However, this form is excess over all other insurance for loss to "substitute boats" or "non-owned boats".

Minor editorial revision.

The proposed form states that the company will not pay more than the *actual claim*, loss, or *damage sustained*.

In the proposed form, if other insurance is specifically written as excess, the limit of this form applies first.

Since the proposed form does not cover substitute boats or non-owned boats under the Property Coverage, the statement regarding excess coverage has been removed.

AAIS PROPOSED BT 0100 05 08	AAIS CURRENT BT 0100 11 99	COMMENTS
---------------------------------------	--------------------------------------	-----------------

2) **Coverage X -- Personal Liability, and Coverage Z -- Uninsured Boater** -- This form is excess over any other insurance. If the other insurance is specifically written as excess insurance over this form, the "limit" of this form applies first.

3) **Coverage Y -- Medical Payments** - This form is excess over any other insurance. However, if the other insurance is specifically written as excess insurance over this form, the "limit" of this form applies first.

2) **Coverages X and Z** -- This form is excess over the other insurance. However, if the other insurance is specifically written as excess insurance over this form, the "limit" of this form applies first.

3) **Coverage Y** -- With respect to a person who is an "insured" as defined in 10.a., 10.b., or 10.c. under Definitions, this form is excess over the other insurance. However, if the other insurance is specifically written as excess insurance over this form, the "limit" of this form applies first.

6. **Restoration of Limits** -- A loss "we" pay under this form does not reduce the applicable "limit" unless it is a total loss to an item described on the "declarations". In the event of a total loss to an item described on the "declarations", "we" will refund the unearned premium on that item.

In the proposed form, Medical Payments Coverage is excess over any other insurance for all insureds. Under the current form, insurance under Coverage Y is only excess for the named insured, resident relatives and persons under 21 years of age in the care of one of these individuals.

The proposed form does not include a clause addressing the restoration of limits.

AAIS PROPOSED

BT 0100 05 08

AAIS CURRENT

BT 0100 11 99

COMMENTS**PAYMENT OF LOSS OR CLAIM****1. Your Property**

- a. **When We Pay** -- "We" adjust each loss to "your" property with "you". "We" pay a covered loss within 60 days after an acceptable proof of loss is received and the amount of the loss is agreed to in writing. If "you" and "we" do not agree, "we" pay within 60 days after the filing of an appraisal award with "us".
- b. **Our Options** -- At "our" option, "we" may:
 - 1) pay the loss in money; or
 - 2) rebuild, repair or replace the property. "We" must give "you" notice of "our" intent to do so within 30 days after "we" receive an acceptable proof of loss.
- c. **We May Take Property** -- "We" may take all or part of the damaged property at the agreed or appraised value. Property paid for or replaced by "us" becomes "ours".
- d. **Payment Made To You** -- Payment is made to "you" unless a loss payee is named or is legally entitled to payment.

PAYMENT OF LOSS OR CLAIM

1. **Your Property** -- "We" adjust each loss to "your" property with "you". "We" pay a covered loss within 30 days after an acceptable proof of loss is received and the amount of the loss is agreed to in writing. If "you" and "we" do not agree, "we" pay within 30 days after the filing of an appraisal award with "us". Payment is made to "you" unless a loss payee is named.

At "our" option, "we" may:

- a. pay the loss in money; or
- b. rebuild, repair, or replace the property. "We" must give "you" notice of "our" intent to do so within 30 days after "we" receive an acceptable proof of loss.

"We" may take all or part of the damaged property at the agreed or appraised value. Property paid for or replaced by "us" becomes "ours".

The proposed form extends the allowable time period for payment of a loss by the company from 30 days after an acceptable proof of loss is received and the amount of loss is agreed upon to 60 days.

The statement 'Payment is made to you..' has been moved to 1. d. below.

Under the proposed form, payment may be made to a loss payee if that person or organization is entitled to payment even if they are not named as a loss payee.

AAIS PROPOSED

BT 0100 05 08

AAIS CURRENT

BT 0100 11 99

COMMENTS

2. **Coverage X -- Personal Liability** -- A person who has secured a judgment against an "insured" for a loss covered by the Personal Liability Coverage provided by this form or has liability established by a written agreement between the claimant, an "insured", and "us" is entitled to recover under this form to the extent of coverage provided.

3. **Coverage Y -- Medical Payments** -- Payment for medical expenses may be made to the injured person, their representative, or the provider of medical services.

ADDITIONAL EXCLUSIONS AND LIMITATIONS

1. **Fines, Penalties, Or Tax Liens**-- We do not pay for fines, penalties or tax liens arising out of the violation of law or government assessments.

2. **Property of Others** -- At "our" option, a covered loss to property of others may be adjusted with and paid:
- a. to "you" on behalf of the owner; or
 - b. to the owner. If "we" pay the owner, "we" do not have to pay "you".
3. **Coverage X** -- A person who has secured a judgment against an "insured" for a loss covered by the Personal Liability Coverage provided by this form or has liability established by a written agreement between the claimant, an "insured", and "us" is entitled to recover under this form to the extent of coverage provided.

From Personal Liability Exclusions:

5. fines, penalties, or taxes.

The proposed form does not include coverage for damage to property not owned by the insured.

The proposed form adds a provision that allows for the payment of medical expenses to the injured person, their representative, or the provider of medical services.

In the current form, fines, penalties, and taxes are excluded. The proposed form does not limit the exclusion to the Personal Liability section and specifies that the exclusions apply to violations of law or government assessments. Also, the proposed form specifies that this exclusion applies to *tax liens* as opposed to *taxes*.

AAIS PROPOSED BT 0100 05 08	AAIS CURRENT BT 0100 11 99	COMMENTS
---------------------------------------	--------------------------------------	-----------------

2. **Seaworthiness Warranty**

- a. **Safe And Navigable Condition** -- "You" warrant that "covered property" is and will be kept in a safe and navigable condition whenever afloat or being operated.
- b. **We Do Not Cover** -- "We" do not cover any loss or damage caused by "your" failure to exercise due diligence to properly maintain "covered property" in a seaworthy condition.

OTHER POLICY CONDITIONS

CONDITIONS THAT APPLY TO ALL COVERAGES

The following conditions apply to all coverages under this form:

- 1. **Assignment** -- Coverage under this form may not be assigned without "our" written consent.

OTHER CONDITIONS

CONDITIONS THAT APPLY TO ALL COVERAGES

Found in Common Policy Conditions, CL 0400 11 99

- 1. **Assignment** -- This policy may not be assigned without "our" written consent.

The proposed form introduces a seaworthiness warranty. This requires that the boat be in a safe or navigable condition whenever afloat or being operated.

There is no coverage for a loss caused by a failure to maintain the property in a seaworthy condition.

The title has changed with no change in intent.

Note that the proposed form incorporates conditions for Assignment; Change, Modification or Waiver of Policy Terms; and Inspections. Under the current form, these conditions are located in the primary form if the Boatowners was written as an endorsement to another personal line of insurance. For mono-line policies these conditions are located in an amendatory endorsement, CL 0400 11 99.

AAIS PROPOSED BT 0100 05 08	AAIS CURRENT BT 0100 11 99	COMMENTS
---------------------------------------	--------------------------------------	-----------------

2. **Change, Modification, Or Waiver Of Policy Terms** -- A waiver or change of the "terms" of this form must be issued by "us" in writing to be valid.

"Our" request for an appraisal or examination under oath does not waive policy "terms".

3. **Conformity With Statute** -- When the "terms" of this form are in conflict with the applicable laws and statutes, the provisions are changed to conform to such laws and statutes.

Found in Common Policy Conditions, CL 0400 11 99

3. **Change, Modification, or Waiver of Policy Terms** -- A waiver or change of the "terms" of this policy must be issued by "us" in writing to be valid.

"Our" request for an appraisal or examination under oath does not waive policy "terms".

If this policy has no expiration date, "we" may substitute or "we" may add, at each anniversary date, forms that are then authorized for use.

1. **Conformity With Statute** -- "Terms" of this form in conflict with the applicable laws are changed to conform to such laws.

The proposed form does not include a provision addressing policies with no expiration date.

Minor editorial revision

AAIS PROPOSED BT 0100 05 08	AAIS CURRENT BT 0100 11 99	COMMENTS
---------------------------------------	--------------------------------------	-----------------

4. **Death** -- On "your" death, "we" will cover the following as an "insured":

- a. the person who has proper temporary custody of "your" property until a qualified legal representative is appointed; or
- b. "your" legal representative.

This person or organization is an "insured" only with respect to property covered under this form and liability arising out of that property.

This coverage does not go beyond the end of the policy period.

5. **Liberalization** -- If "we" adopt a revision which broadens coverage under this edition of "our" form without an additional premium, the broadened coverage will apply to "your" policy as of the date "we" adopt the revision in "your" state. This does not apply to changes adopted as a result of the introduction of a subsequent edition of "our" form.

7. **Death** -- On "your" death, "we" will cover the following as an "insured":

- a. the person who has custody of "your" property until a legal representative is qualified and appointed; or
- b. "your" legal representative.

This person or organization is an "insured" only with respect to property covered under this form and liability arising out of that property.

This coverage does not go beyond the end of the policy period.

8. **Liberalization** -- If "we" adopt a revision which broadens coverage under this edition of "our" form without an additional premium, the broadened coverage will apply to "your" policy as of the date "we" adopt the revision in the state in which the "boats", "motors", and "boat trailers" described on the "declarations" are normally kept. This applies only to revisions adopted 60 days prior to or during the policy period shown on the "declarations". This does not apply to changes adopted as a result of the introduction of a subsequent edition of "our" form.

Minor editorial revision.

In the proposed form, the application of the Liberalization clause is based on "your" state rather than the state in which the boats, etc. are normally kept. Any change in policy terms are to be based on the state in which the policy is issued rather than the location of the boat.

Revisions adopted 60 days prior to the policy period are no longer considered under the Liberalization clause.

Editorial revisions are also made.

AAIS PROPOSED

BT 0100 05 08

AAIS CURRENT

BT 0100 11 99

COMMENTS

6. **Misrepresentation, Concealment, Or Fraud** -- "We" do not provide coverage for any "insured" if, before or after a loss:

- a. an "insured" has willfully concealed or misrepresented a material fact or circumstance that relates to this insurance or the subject thereof; or
- b. there has been fraudulent conduct or false swearing by an "insured" with regard to a matter that relates to this insurance or the subject thereof.

This applies even with respect to an "insured" who was not involved in the concealment, misrepresentation, fraudulent conduct, or false swearing.

7. **Recoveries** -- If "we" pay for a loss and lost or damaged property is recovered or payment is made by those responsible for the loss:

- a. the "insured" must inform "us" or "we" must inform the "insured" if either recovers property or receives payment;
- b. proper costs incurred by either party are paid first;
- c. the "insured" may keep the property. The amount of the claim paid, or a lesser amount to which "we" agree, must be returned to "us"; and
- d. if the claim paid is less than the agreed loss due to a deductible, or other limiting "terms", the recovery is prorated between the "insured" and "us" based on the interest of each in the loss.

2. **Misrepresentation, Concealment, or Fraud** -- This coverage is void as to "you" and any other "insured" if, before or after a loss:

- a. "you" or any other "insured" has willfully concealed or misrepresented:
 - 1) a material fact or circumstance that relates to this insurance or the subject thereof; or
 - 2) an "insured's" interest herein; or
- b. there has been fraud or false swearing by "you" or any other "insured" with regard to a matter relating to this insurance or the subject thereof.

3. **Recoveries** -- This applies if "we" pay for a loss and lost or damaged property is recovered, or payment is made by those responsible for the loss.

- a. The "insured" must inform "us" or "we" must inform the "insured" if either recovers property or receives payment.
- b. Proper costs incurred by either party are paid first.
- c. The "insured" may keep the property. The amount of the claim paid, or a lesser amount to which "we" agree, must be returned to "us".
- d. If the claim paid is less than the agreed loss due to a deductible, or other limiting "terms", the recovery is prorated between the "insured" and "us" based on the interest of each in the loss.

Editorial revisions.

In the proposed form, the form is not void in the event of misrepresentation, concealment, or fraud. However, coverage is denied to all insureds. This applies even to an insured who is not involved in the misrepresentation, concealment, or fraud.

Also, the reference to concealment or misrepresentations of an insured's interest is removed as these are contemplated in the concealment and misrepresentation of material facts and circumstances and false swearing.

No change.

<p style="text-align: center;">AAIS PROPOSED BT 0100 05 08</p>	<p style="text-align: center;">AAIS CURRENT BT 0100 11 99</p>	<p style="text-align: center;">COMMENTS</p>
---	--	--

8. **Subrogation** -- If "we" pay for a loss, "we" may require that an "insured" assign to "us" the right of recovery up to the amount "we" pay. We are not liable for a loss to the extent that, after the loss, an "insured" impairs "our" right to recover against others. An "insured" may waive his or her right to recover, in writing and before a loss occurs, without affecting coverage.

In the event that "we" require such an assignment, an "insured" must:

- a. sign and give to "us" all related documents; and
- b. cooperate with "us".

If "we" pay a loss to an "insured" who recovers from another party for the same loss, that "insured" must pay "us" as stated in Recoveries above.

Subrogation does not apply to Coverage Y -- Medical Payments.

4. **Subrogation** -- If "we" pay for a loss, "we" may require that "you" assign to "us" the right of recovery up to the amount "we" pay. "We" are not liable for a loss if, after the loss, an "insured" impairs "our" right to recover against others. "You" may waive "your" right to recover, in writing, before a loss occurs. If "we" pay a loss to or for an "insured" and the "insured" recovers from another party for the same loss, the "insured" must pay "us" as stated in 3. above.

Subrogation does not apply to Coverage Y.

Editorial revisions.

In the proposed form, the requirement to assign the right of recovery and the right to waive a right of recovery applies to all insureds rather than just the named insured. Also, in the proposed form, the company is not liable for losses if an insured impairs the company's right to recover but only to the extent that the right is impaired.

The proposed form adds requirements that an insured provide documents related to an assignment and cooperate with the company.

AAIS PROPOSED BT 0100 05 08	AAIS CURRENT BT 0100 11 99	COMMENTS
---------------------------------------	--------------------------------------	-----------------

9. **Territory** -- Unless otherwise shown on the "declarations", "we" only provide coverage under this form for losses, "bodily injury", or "property damage" that occur within:

- a. the United States of America or Canada including the inland lakes, tributaries, rivers and navigable waterways;
- b. the Great Lakes; or
- c. coastal waters that extend 100 statute miles or less from the coast of either the United States of America or Canada.

However, "personal watercraft" coverage extends only within 10 statute miles from the coast of either the United States or Canada.

This does not include the territory or territorial waters of any country other than the United States or Canada.

CONDITIONS THAT APPLY ONLY TO PROPERTY COVERAGES

The following conditions apply only to property coverages:

- 1. **Abandonment Of Property** -- An "insured" may not abandon any property to "us" unless "we" agree to it in writing.

From Agreement section:

These coverages apply: (1) to losses, "bodily injury", or "property damage" that occur during the policy period; and (2) unless otherwise shown on the "declarations", only upon the land, "coastal waters", tributaries, and inland lakes and rivers of the United States of America and Canada.

From Definitions:

- 7. "Coastal waters" means ocean waters that extend 15 statute miles from the coastline of the United States of America and Canada.

CONDITIONS THAT APPLY ONLY TO PROPERTY COVERAGES

- 1. **Abandonment of Property** -- An "insured" may not abandon any property to "us" unless "we" agree to it in writing.

A new condition, Territory, has been added. The language, with some editorial revisions, has been relocated to Conditions That Apply To All Coverages from the Agreement and Definitions.

The territory has been expanded to 100 statute miles. Personal watercraft is restricted to 10 statute miles.

Introductory sentence added.

No change.

AAIS PROPOSED BT 0100 05 08	AAIS CURRENT BT 0100 11 99	COMMENTS
--------------------------------	-------------------------------	----------

2. **Appraisal**

- a. **Conditions For An Appraisal** -- If "you" and "we" do not agree on the amount of loss or the value of property, either party may demand that these amounts be determined by appraisal.
- b. **Selecting An Appraiser** -- If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.
- c. **Appraisers Will Determine** -- The appraisers will then determine and state separately the amount of each loss.

The appraisers will also determine the value of property items covered at the time of the loss, if requested.

- 2. **Appraisal** -- If "you" and "we" do not agree on the amount of the loss, the actual cash value of the property, or the cost to repair or replace the property, either party may demand that these amounts be determined by appraisal.

If either party makes a written demand for appraisal, each will select a competent independent appraiser and notify the other of the appraiser's identity within 20 days after the receipt of the written demand. The two appraisers will select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.

For each item of property, the appraisers will determine:

- a. the amount of the loss;
- b. the actual cash value of the property; and
- c. the cost to repair or replace the property.

Editorial revision with no change in intent.

No change

<p style="text-align: center;">AAIS PROPOSED BT 0100 05 08</p>	<p style="text-align: center;">AAIS CURRENT BT 0100 11 99</p>	<p style="text-align: center;">COMMENTS</p>
---	--	--

- d. **Report Of Agreement** -- If the appraisers submit a written report of any agreement to "us", the amount agreed upon will be the amount of the loss.

- e. **Failure To Agree** -- If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three, sets the amount of the loss.

- f. **Expenses** -- Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us".

- 3. **Inspections** -- "We" have the right, but are not obligated, to inspect "your" "covered property". This inspection may be made by "us" or may be made on "our" behalf. An inspection or its resulting advice or report does not warrant that "your" property is:
 - a. safe;
 - b. free of fungi, bacteria, pollutants, or other toxins that may be hazardous to health;

Each amount will be stated separately. If the appraisers submit a written report of an agreement to "us", the agreement will establish these amounts.

If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. A written agreement by two of these three will establish the amounts stated above.

Each appraiser will be paid by the party selecting that appraiser. The compensation of the umpire and other costs of the appraisal will be shared equally by "you" and "us".

Found in Common Policy Conditions, CL 0400 11 99

- 4. **Inspections** -- "We" have the right, but are not obligated, to inspect "your" property and operations. This inspection may be made by "us" or may be made on "our" behalf. An inspection or its resulting advice or report does not warrant that "your" property or operations are safe,

healthful,

In the proposed form, the word "healthful" is removed and replaced with language specifying that the inspection does not warrant that the property is free of fungi, bacteria, pollutants, or other toxins that may be hazardous to health.

<p style="text-align: center;">AAIS PROPOSED BT 0100 05 08</p>	<p style="text-align: center;">AAIS CURRENT BT 0100 11 99</p>	<p style="text-align: center;">COMMENTS</p>
<p>c. in compliance with codes, standards, laws, rules or regulations; or</p> <p>d. seaworthy.</p> <p>Inspections or reports are for "our" benefit only.</p> <p>4. No Benefit To Bailee -- Coverage under this form will not directly or indirectly benefit those who are caring for or handling property covered under this form for a fee or being compensated for their service.</p> <p>5. Suit Against Us -- No suit may be brought against "us" unless all the "terms" that apply to Property Coverages have been complied with and the suit is brought within two years after the loss.</p> <p>If the applicable law makes this time period invalid, the suit must be brought within the time period allowed by the law.</p> <p>CONDITIONS THAT APPLY ONLY TO LIABILITY COVERAGES</p> <p>The following conditions apply only to liability coverages:</p>	<p>or in compliance with laws, rules, or regulations.</p> <p>Inspections or reports are for "our" benefit only.</p> <p>3. Benefit to Others -- Coverage under this form will not directly or indirectly benefit others who have custody of property covered under this form.</p> <p>5. Suit Against Us -- No suit may be brought against "us" unless all the "terms" of this form have been complied with and:</p> <p>a. Property Coverages -- The suit is brought within two years after the loss.</p> <p>If the applicable law makes this time period invalid, the suit must be brought within the time period allowed by the law.</p>	<p>The proposed form specifies that an inspection and its resulting advise or report does not warrant that the property is seaworthy.</p> <p>The Benefit to Others condition is replaced with No Benefit To Bailee. The language in the proposed form specifically addresses <i>bailees</i> rather than the broader <i>others</i>.</p> <p>The Suit Against Us condition now appears in Conditions That Apply Only To Property Coverages and Conditions That Apply Only To Liability Coverages. Under each of these sections is the portion of the condition that is applicable to the coverage. This is a formatting change only.</p> <p>The proposed form adds a section for conditions that apply only to liability coverages. The conditions in this section were previously included Other Conditions, Conditions That Apply to All Coverages. Since these apply only to liability coverages, they have been placed in a separate section.</p>

<p style="text-align: center;">AAIS PROPOSED BT 0100 05 08</p>	<p style="text-align: center;">AAIS CURRENT BT 0100 11 99</p>	<p style="text-align: center;">COMMENTS</p>
---	--	--

1. **Bankruptcy Of An Insured** -- Bankruptcy or insolvency of an "insured" does not relieve "us" of "our" obligations under this form.
2. **Suit Against Us** -- No suit may be brought against "us" unless all the "terms" of this form have been complied with and the amount of an "insured's" liability has been fixed by:
 - a. a final judgment against an "insured" that is the result of a trial; or
 - b. a written agreement of the "insured", the claimant, and "us".

No person has a right under this form to join "us" or impede "us" in actions that are brought to fix the liability of an "insured".

6. **Bankruptcy of an Insured** -- Bankruptcy or insolvency of an "insured" does not relieve "us" of "our" obligations under this form.
5. **Suit Against Us** -- No suit may be brought against "us" unless all the "terms" of this form have been complied with and:
 - b. **Coverage X** -- The amount of an "insured's" liability has been fixed by:
 - 1) a final judgment against an "insured" that is the result of a trial; or
 - 2) a written agreement of the "insured", the claimant, and "us".

No person has a right under this form to join "us" or implead "us" in actions that are brought to fix the liability of an "insured".

This coverage comparison is for informational and illustrative purposes only. It is solely intended to provide a general overview of coverage differences and similarities. This document and the language herein is not a contract and does not confer any contractual obligation between AAIS, its officers or agents and any individual, organization or other recipient of this document.

If anything in this coverage comparison is in conflict with the actual terms, coverage amounts, conditions and exclusions in the referenced policy, the policy terms, coverage amounts, conditions and exclusions apply and are not modified by this document.

AAIS PROPOSED BT 1301 05 08	AAIS CURRENT BT 0010 12 99	COMMENTS
--	---	-----------------

**PUNITIVE DAMAGE
EXCLUSION**

This policy does not apply to a claim or indemnification for "punitive or exemplary" damages. "Punitive or exemplary" damages means those damages imposed to punish a wrongdoer and to deter others from similar conduct.

If a suit seeking both compensatory and "punitive or exemplary" damages is brought against an "insured" for an "occurrence" covered by this form, "we" will provide defense coverage.

"We" will not pay for any costs, interest, or damages attributable to "punitive or exemplary" damages.

All other "terms" of the form apply.

**PUNITIVE DAMAGE
EXCLUSION**

This policy does not apply to a claim or indemnification for "punitive or exemplary" damages. "Punitive or exemplary" damages means those damages imposed to punish a wrongdoer and to deter others from similar conduct.

If a suit seeking both compensatory and "punitive or exemplary" damages is brought against an "insured" for an "occurrence" covered by this form, "we" will provide defense coverage.

"We" will not pay for any costs, interest, or damages attributable to "punitive or exemplary" damages.

All other "terms" of the form apply.

No changes to language. Form number change only.

AAIS PROPOSED BT 2000 05 08	AAIS CURRENT BT 0004 11 99	COMMENTS
--	---------------------------------------	-----------------

LAY-UP PERIOD LIMITATION

1. "You" agree that the "boats" described on the "declarations" will not be used for navigation during the lay-up period shown on the "declarations". This does not include a "boat" being moved from one storage location to another storage location during the lay-up period.
2. "You" agree that the "boats" described on the "declarations" will be located in a safe berth for storage:
 - a. ashore; or
 - b. afloat

during the lay-up period shown on the "declarations".

LAY-UP PERIOD

"You" agree that the "boats" described on the "declarations" will not be used for navigation during the lay-up period shown on the "declarations". This does not include a "boat" being moved from one storage location to another storage location during the lay-up period.

"You" agree that the "boats" described on the "declarations" will be located in a safe berth for storage ashore or afloat during the lay-up period shown on the "declarations".

The word Limitation is added to the title with the proposed form in order to clearly identify the purpose of the endorsement.

AAIS PROPOSED BT 2000 05 08	AAIS CURRENT BT 0004 11 99	COMMENTS
--	---	-----------------

3. No coverage will be afforded under this form for loss, "bodily injury", or "property damage" that occurs during the lay-up period while the "boat" described on the "declarations" is being:
- a. used for navigation, or
 - b. loaded or unloaded.

An "insured" may use a "boat" for an additional 15 days at the beginning and at the end of the lay-up period. This privilege does not extend the policy period.

The proposed form specifically states that no coverage is afforded during the lay-up period if the boat is being used for navigation or being loaded or unloaded. This has been added to specify what will occur if the boat is used for navigation or loading or unloading contrary to the agreement stated in 1. above.

The lay-up period is a specified 4 month period and is displayed on the policy declarations. Since the additional 15 days coverage before and after the specified grace period is inconsistent with the dates as listed on the policy declarations, this paragraph has been removed.

<p align="center">AAIS PROPOSED BT 2001 05 08</p>	<p align="center">AAIS CURRENT BT 0009 11 99</p>	<p align="center">COMMENTS</p>
---	--	---------------------------------------

**PERSONAL WATERCRAFT
EXCLUSION**

With respect to all coverages except Coverage Z -- Uninsured Boater, the definitions of "boat" and "business" are deleted and replaced by the following:

"Boat" means a watercraft other than a "personal watercraft". It includes sails, spars, fittings, and all permanently attached equipment. It does not include outboard motors.

"Business" means any trade, profession, or occupation including but not limited to:

- a. selling, chartering, renting, repairing, servicing, storing, mooring, or anchoring "boats" and "personal watercraft"; and
- b. operation of yacht clubs, shipyards, and marinas.

Entertainment of business clients on "your" "boat" is not considered "business".

**COVERAGE FOR PERSONAL
WATERCRAFT EXCLUDED**

With respect to all coverages except Coverage Z, Uninsured Boaters Coverage, the definitions of "boat" and "boat business" are deleted and replaced by the following:

"Boat" means a watercraft other than a "personal watercraft". It includes sails, spars, fittings, and all permanently attached equipment. It does not include outboard motors.

"Boat business" means the business or occupation of selling, chartering, renting, repairing, servicing, storing, mooring, or anchoring "boats" or "personal watercraft". It includes the operation of yacht clubs, shipyards, and marinas.

Title change.

Editorial revision.

As in the Boatowners Special Form, the definition for "boat business" is replaced by a definition for "business" and applies to all trades, professions or occupation as opposed to businesses or occupations relating only to boats.

Under the revised form, the definition of business does not include the entertainment of business clients on the insured's boat.

<p style="text-align: center;">AAIS PROPOSED BT 2500 05 08</p>	<p style="text-align: center;">AAIS CURRENT BT 0007 11 99</p>	<p style="text-align: center;">COMMENTS</p>
--	---	--

EXPANDED EMERGENCY SERVICE

Under Additional Property Coverages, Emergency Service is replaced by the following:

Expanded Emergency Service

- a. **Coverage** -- "We" will cover the reasonable cost of emergency service arising out of the disablement of a covered "boat", "boat trailer", or "motor" which involves:
 - 1) towing to the nearest place for repairs or service;
 - 2) delivery of gas, oil, or a battery;
 - 3) changing a "boat trailer" tire; or
 - 4) charges for labor performed.

- b. **We Do Not Cover** -- "We" do not cover the cost of:
 - 1) gas, oil or batteries;
 - 2) tires; or
 - 3) parts or supplies.

EMERGENCY SERVICE

Under Additional Property Coverages, Emergency Service is replaced by the following:

Emergency Service -- "We" cover the cost of emergency service for covered "boats" and "motors" which involves:

- a. towing to the nearest place for repairs or service;
- b. delivery of gas, oil, or a battery ("we" do not pay for the cost of these items); or
- c. changing a "boat trailer" tire ("we" do not pay for the cost of the tire).

The word Expanded has been added to the title of this endorsement to distinguish the coverage provided under the endorsement with the basic coverage provided under Additional Property Coverages.

Under the revised form, the company will pay for costs that are **reasonable** and that arise out of the disablement of a covered boat, boat trailer, or motor. Note that the new form allows for coverage for the cost of service to the boat trailer.

The revised form provides coverage for labor charges

Change in formatting.

The cost of parts or supplies are specifically not covered under the proposed form. Since the coverage is intended to provide emergency **service**, this is no change in intent.

AAIS PROPOSED BT 2500 05 08	AAIS CURRENT BT 0007 11 99	COMMENTS
--	---	-----------------

c. **Coverage Limitation** -- "We" only cover the cost of labor performed at the place of disablement.

d. **Limit** -- The most "we" pay under this coverage is the "limit" shown on the "declarations" for Emergency Service.

No deductible applies under this coverage.

This includes charges for labor performed only at the place of breakdown or disablement.

The most "we" pay under this coverage is the "limit" shown on the "declarations" for Emergency Service.

Editorial revision.

Language has been added to confirm that no deductible applies to Expanded Emergency Service.

AGREED VALUE SETTLEMENT PROVISION

(Entries required to complete the Schedule will be shown below or on the "declarations".)

Schedule

"Boat"	Year	Manufacturer	Model
Type	Length	Serial Number	
1.			
2.			
3.			

HOW MUCH WE PAY

For "boats" indicated on the schedule above and their "motors", "boat trailers" and "boating equipment", under How Much We Pay, Property Coverages, the Actual Cash Value provision is replaced by the following:

Loss Settlement Terms

1. **Total Loss** -- If there is a total or constructive total loss to a "boat" described on this schedule, "we" will pay the "limit" shown on the declarations for the "boat" reduced by its salvage value if "you" retain the salvage.

Taken from:

BOATOWNERS SPECIAL FORM

HOW MUCH WE PAY

1. Property Coverages

- e. **Loss Settlement Terms -- Boats Described on the Declarations** -- Subject to 1.a. through 1.d. above, the following applies:
 - 1) **Total Loss** -- If there is a total or constructive total loss to a "boat" described on the "declarations", "we" will pay no more than the "limit" shown on the "declarations" for that "boat" even if the expense of recovering, repairing, replacing, or rebuilding exceeds that "limit".

While the Agreed Value Settlement Provision is a new endorsement, the current form provides for property losses to be settled on an agreed value basis. A comparison of agreed value settlement under the proposed form to agreed value settlement under the current form is provided herein.

In the revised form, the Agreed Value Settlement Provision applies only to the boats and their motors, trailers, and equipment as indicated on the schedule.

In the revised form, in the event of a total or constructive total loss to a boat, payment will be for the limit on the declarations.

AAIS PROPOSED BT 4800 05 08	AAIS CURRENT BT 0100 11 99 Loss Settlement Terms	COMMENTS
--	---	-----------------

2. Partial Loss Which You Repair Or Replace

- a. If there is a loss to a "boat" on this schedule, other than a total or constructive total loss, which "you" repair or replace, "we" will pay the reasonable cost of repair or replacement, without deduction for depreciation, but not exceeding the lesser of:
- 1) the "limit" shown on the "declarations" for the damaged "boat";
 - 2) the replacement cost of the damaged part of the "boat"; or
 - 3) the amount spent to repair or replace the damaged part of the "boat" with material of like kind and quality according to the manufacturers' specifications or accepted repair practices.
- b. The terms of Partial Loss Which You Repair Or Replace do not apply to:
- 1) upholstery;
 - 2) outdrives or jet drives;
 - 3) carpet;
 - 4) mechanical or electronic parts; or
 - 5) canvas, sails, or rigging.

2) Other Loss Which You Repair or Replace

-- (This does not apply to canvas, sails, or rigging.) If there is a loss to a "boat" described on the "declarations", other than a total or constructive total loss, which "you" repair or replace, "we" will pay the cost of repair or replacement, without deduction for depreciation, but not exceeding the lesser of:

- a) the "limit" shown on the "declarations" for the damaged "boat";
- b) the replacement cost of the damaged part of the "boat"; or
- c) the amount spent to repair or replace the damaged part of the "boat" with material of like kind and quality according to the manufacturers' specifications or accepted repair practices.

2) Other Loss Which You Repair or Replace -- *(This does not apply to canvas, sails, or rigging.)*

Under the proposed form, losses to upholstery; outdrives or jet drives; carpet; and mechanical or electronic parts are not included in Partial Loss Which You Repair Or Replace.

<p style="text-align: center;">AAIS PROPOSED BT 4800 05 08</p>	<p style="text-align: center;">AAIS CURRENT BT 0100 11 99 Loss Settlement Terms</p>	<p style="text-align: center;">COMMENTS</p>
---	---	--

3. Other Loss Which You Do Not Repair Or Replace --

If there is a loss to a "boat" described on this schedule, other than a total or constructive total loss, which "you" do not repair or replace, "we" will pay the lesser of:

- a. the "limit" shown on the "declarations" for the damaged "boat";
- b. the "actual cash value" of the damaged part of the "boat" at the time of the loss; or
- c. the amount needed to repair or replace the damaged part of the "boat" with material of like kind and quality according to the manufacturers' specifications or accepted repair practices.

3) Other Loss Which You Do Not Repair or Replace and Loss To Canvas, Sails, or Rigging -- If there is a loss to a "boat" described on the "declarations", other than a total or constructive total loss, which "you" do not repair or replace, or loss to canvas, sails, or rigging, "we" will pay the lesser of:

If there is a loss to a "boat" described on the "declarations", other than a total or constructive total loss, which "you" do not repair or replace, or loss to canvas, sails, or rigging, "we" will pay the lesser of:

- a) the "limit" shown on the "declarations" for the damaged "boat";
- b) the actual cash value of the damaged part of the "boat" at the time of the loss; or
- c) the amount needed to repair or replace the damaged part of the "boat" with material of like kind and quality according to the manufacturers' specifications or accepted repair practices.

f. Loss Settlement Terms -- Other Boats
-- Subject to 1.a through 1.d above, if there is a loss to a "boat" other than a "boat" described on the "declarations", "we" will pay the lesser of:

- 1) the "limit" that applies to the damaged "boat";
- 2) the actual cash value of the damaged part of the "boat" at the time of the loss; or
- 3) the amount needed to repair or replace the damaged "boat" with material of like kind and quality according to the manufacturers' specifications or accepted repair practices.

Under the revised form, Loss To Canvas Sails, or Rigging is addressed under 4. Loss To All Other Property.

No coverage is provided for loss to other boats with the exception of those covered under Additional Property Coverages for Newly Acquired Boats. This provision is removed from the revised form.

4. Loss To All Other Property

a. If there is a loss or damage to property described below in item 4.b. "we" will pay the lesser of the:

- 1) "limit" that applies to the damaged property;
- 2) "actual cash value" of the damaged property at the time of the loss; or
- 3) amount needed to repair or replace the damaged property with material of like kind and quality according to the manufacturers' specifications or accepted repair practices.

b. The terms of Loss To All Other Property apply to the following property:

- 1) "motors";
- 2) "boat trailers";
- 3) "boating equipment";
- 4) upholstery;
- 5) outdrives or jet drives;
- 6) carpet;
- 7) mechanical or electronic parts; or
- 8) canvas, sails, or rigging.

g. **Loss Settlement Terms -- All Other Property** -- Subject to 1.a. through 1.d. above, if there is a loss to property other than a "boat", "we" will pay the lesser of:

- 1) the "limit" that applies to the damaged property;
- 2) the actual cash value of the damaged property at the time of loss; or
- 3) the amount needed to repair or replace the damaged property with material of like kind and quality to the extent practical.

Editorial revision. In the proposed form, the 'other property' is identified in 4.b.

Under the proposed form, the material must be of like kind and quality according to manufacturers' specifications or accepted repair practices. The current form states that the repairs will be made with material of like kind and quality to the extent practical.

Under the proposed form, losses to upholstery; outdrives or jet drives; carpet; and mechanical or electronic parts are settled on an actual cash value basis with a deduction for depreciation applied.

AAIS PROPOSED BT 6000 05 08	AAIS CURRENT BT 0006 11 99	COMMENTS
--	---	-----------------

ADDITIONAL INTERESTS

(The entries required to complete this endorsement will be shown below or on the "declarations".)

A loss payable under Principal Property Covered will be paid to "you" and the additional interests as indicated below:

"Boats", "Motors", or "Boat Trailers" With an Additional Interest:

Name and Address of Person or Organization With an Additional Interest and Type of Interest:

ADDITIONAL INTERESTS

(The entries required to complete this endorsement will be shown below or on the "declarations".)

A loss payable under Principal Property Coverages "Boats", "Motors", and "Boat Trailers" will be paid to the additional interest and "you", as interests appear. If more than one additional interest is named, the order of payment will be the same as the order of precedence of the interests.

"Boats", "Motors", or "Boat Trailers":

Name and Address of Person or Organization With an Additional Interest, and Type of Interest:

Editorial revision. Language regarding payment in order of precedence has been removed.

Editorial revision.

AAIS PROPOSED BT 6000 05 08	AAIS CURRENT BT 0006 11 99	COMMENTS
--	---	-----------------

Name and Address of Person or Organization
With an Additional Interest and Type of Interest:

Name and Address of Person or Organization
With an Additional Interest and Type of Interest:

Name and Address of Person or Organization
With an Additional Interest, and Type of Interest:

Name and Address of Person or Organization
With an Additional Interest, and Type of Interest:

Name and Address of Person or Organization
With an Additional Interest, and Type of Interest:

Removed area to input a fourth additional interest. In the rare event this is necessary, a second endorsement can be completed.

AAIS PROPOSED BT 6002 05 08	AAIS CURRENT BT 0005 11 99	COMMENTS
--	---	-----------------

LOSS PAYEE PROVISION

(The entries required to complete this endorsement will be shown below or on the "declarations".)

Schedule

Covered Property

Name and Address of Loss Payee

If a loss payee is indicated on the schedule above or on the "declarations", the following conditions apply to the property described on the schedule or on the "declarations". The following conditions apply in addition to the policy "terms" which are contained in other sections of the Boatowner Special Form.

- 1. **Loss Payable** -- Any loss covered by this form will be payable to "you" and the loss payee described on the schedule above as interests appear. If more than one loss payee is named, they will be paid in order of precedence.

LOSS PAYEE

Loss covered by this form will be payable to "you" and the loss payee shown on the "declarations", as interests appear. If more than one loss payee is named, payment will be made in order of precedence.

The title of the endorsement is changed to include the word 'provision'. No change in intent.

The proposed form has been revised to include a schedule. This allows the company to indicate the property and name and address of the loss payee either on the declarations or on the schedule.

An introductory paragraph has been added. This states that if a loss payee is indicated, the conditions apply to the property indicated. These conditions are in addition to the all other terms in the Boatowners Special Form.

Editorial revision. No change in intent.

<p style="text-align: center;">AAIS PROPOSED BT 6002 05 08</p>	<p style="text-align: center;">AAIS CURRENT BT 0005 11 99</p>	<p style="text-align: center;">COMMENTS</p>
--	---	--

2. **Coverage For Loss Payee** -- The insurance for the loss payee continues in effect even when "your" insurance may be void because of "your" acts, neglect, or failure to comply with the coverage "terms".

If "we" deny "your" claim, that denial does not apply to a valid claim of the loss payee.

The proposed form provides for continuation of coverage for a loss payee when the insurance may be void due to the insured's acts, neglect or failure to comply. With the current form, the extension of coverage for a loss payee is related to a specific claim rather than insurance coverage.

3. **Losses Not Covered For Loss Payee** -- The insurance for the loss payee does not continue in effect:

a. if the loss payee is aware of changes in ownership or a substantial increase in risk and does not notify "us"; or

b. if the covered property is intentionally damaged, destroyed or concealed by an "insured".

However, "we" do not cover the loss payee's interest when loss results from "your" conversion, embezzlement, or secretion of a covered "boat", "motor", or "boat trailer".

With the proposed form, it is incumbent upon the loss payee to notify the company of changes in ownership or a substantial increase in risk.

The proposed form does not provide coverage for the loss payee's interest if the property is damaged, destroyed, or concealed by an insured. This is similar in intent to the current form. References to conversion and embezzlement are removed.

AAIS PROPOSED BT 6002 05 08	AAIS CURRENT BT 0005 11 99	COMMENTS
--	---	-----------------

3. **Limit Of Liability** -- The amount payable to the loss payee will be the lesser of the following amounts:

- a. the "actual cash value" of the damaged property described on this schedule or on the "declarations";
- b. the unpaid balance of the loan for the property described on this schedule or on the "declarations";
- c. the cost to repair or replace the damaged property with material of like kind and quality according to the manufacturer's specifications or accepted repair practices; and
- d. any policy "limits" which apply.

4. **Notification Of Cancellation Or Non-Renewal** -- If "we" cancel or not renew this policy, "we" will notify the loss payee at the address shown on this schedule or on the "declarations" at least ten days before the cancellation or nonrenewal is effective.

"We" may cancel this coverage in accordance with the provisions that apply to this form. The cancellation provisions that apply to "you" also apply to the loss payee. Cancellation terminates the agreement as to the loss payee's interest.

A limit of liability clause is added to the Loss Payee Provision endorsement. Under the provision, the company's limit of liability is the lesser of the actual cash value, the unpaid balance on the loan; the cost to repair or replace the damaged property; and any policy limit that applies.

Provision removed from proposed form.

Notice of cancellation to loss payee will be at the address shown on schedule or declarations at least ten days before the effective date.

AAIS PROPOSED BT 6002 05 08	AAIS CURRENT BT 0005 11 99	COMMENTS
--------------------------------	-------------------------------	----------

5. **Payment Of Premium** -- "We" may request payment of the premium from the loss payee if "you" fail to pay the premium.

6. **Our Right To Collect Debt** -- If "we" pay the loss payee for a loss where "your" insurance may be void, the loss payee's right to collect that portion of the debt from "you" then belongs to "us". This does not affect the loss payee's right to collect the remainder of the debt from "you". As an alternative, "we" may pay the loss payee the remaining principal and accrued interest in return for a full assignment of the loss payee's interest and any instruments given as security for the debt.

When "we" pay the loss payee, "we" will be subrogated to the loss payee's rights of recovery to the extent of "our" payment.

Under the proposed form, the company may require payment of the premium from the loss payee if the insured fails to pay.

If the company pays a loss payee when the insurance may be void, the company is entitled to collect that part of the debt from the insured or the company may pay the remaining debt and receive a full assignment.

AAIS PROPOSED BT 6500 05 08	AAIS CURRENT BT 0001 11 99	COMMENTS
--	---	-----------------

CHANGE ENDORSEMENT

This endorsement amends the policy identified below. All other "terms" of the policy apply, except as amended by this endorsement.

Policy Number: _____

"Our" Name: _____

"Your" Name: _____

Agency: _____ By: _____

Address (as shown on the "declarations")

Effective Date of Endorsement:

Policy Period: From _____ To _____

CHANGE ENDORSEMENT

This endorsement forms part of the policy shown below.

Policy Number: _____

Our Name: _____

Your Name: _____

Address (as shown on the "declarations")

Effective Date of Endorsement:

Policy Period: From _____ To _____

Agency: _____ By: _____

Language added to clarify that all other terms of the policy apply, except as amended by this endorsement.

Agency identification information has been moved up in the form.

Lines added for ease of data entry.

AAIS PROPOSED BT 6500 05 08	AAIS CURRENT BT 0001 11 99	COMMENTS
--	---------------------------------------	-----------------

POLICY CHANGES

1. Amount of Coverage Changes

Boats	From	To
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

Motors

1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

Boat Trailers From To

1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

POLICY CHANGES

1. Amount of Coverage Changes

Boats	From	To
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

Motors

1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

Boat Trailers

1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

No changes

AAIS PROPOSED BT 6500 05 08	AAIS CURRENT BT 0001 11 99	COMMENTS
--	---	-----------------

Personal Liability

From: ____ To: ____ each occurrence

Medical Payments

From: ____ To: ____ each person

Uninsured Boaters

From: ____ To: ____ each accident

2. Other Changes (Include Endorsement Numbers and Edition Dates.)

PREMIUM ADJUSTMENT

Due at Endorsement Effective Date

Additional Premium	Return Premium
\$ _____	\$ _____

Personal Liability

From: ____ To: ____ each occurrence

Medical Payments

From: ____ To: ____ each person

From: ____ To: ____ each accident

Uninsured Boaters

From: ____ To: ____ each accident

2. Other Changes (Include Endorsement Numbers and Edition Dates.)

PREMIUM ADJUSTMENT

Due at Endorsement Effective Date

Additional Premium	Return Premium
\$ _____	\$ _____

No changes

Reference to each accident Medical Payments limit has been removed as there are no rates associated with this option.

Lines added for ease of data entry.

Lines added for ease of data entry.

AAIS PROPOSED BT 6500 05 08	AAIS CURRENT BT 0001 11 99	COMMENTS
--	---	-----------------

REVISED INSTALLMENT PAYMENTS
(Applies to three-year installment policies.)

Dates Due	Original Installments	Increase
_____	\$ _____	\$ _____

Decrease	Revised Installments
\$ _____	\$ _____

Total Premium to Policy Expiration
\$ _____

REVISED INSTALLMENT PAYMENTS
(Applies to three-year installment policies.)

Dates Due	Original Installments	Increase
	\$	\$

Decrease	Revised Installments
\$	\$

Total Premium to Policy Expiration
\$

Lines added for ease of data entry.

Lines added for ease of data entry.

<p align="center">AAIS PROPOSED BT 6501 05 08</p>	<p align="center">AAIS CURRENT BT 0002 11 99</p>	<p align="center">COMMENTS</p>
---	--	---------------------------------------

**INSTALLMENT PREMIUM
PAYMENTS**

The premium for this coverage is payable in annual installments as shown on the "declarations". "You" agree to pay each subsequent annual installment based on the premiums which are then in effect for "us" and which apply to this coverage.

**INSTALLMENT PREMIUM
PAYMENTS**

The premium for this coverage is payable in annual installments as shown on the "declarations". "You" agree to pay each subsequent annual installment based on the premiums which are then in effect for "us" and which apply to this coverage.

No change. Form number change only.

AAIS PROPOSED BT 6502 05 08	AAIS CURRENT BT 0003 11 99	COMMENTS
--	---	-----------------

RENEWAL PLAN

(The entries required to complete this endorsement will be shown below or on the "declarations".)

1. The policy period on the "declarations" is deleted and replaced with the following:

Policy Period

_____ Time From _____ To _____
DATE DATE

and for successive policy periods subject to the conditions stated below.

2. Each successive policy period can be no more than 12 months.
3. If "we" elect to continue this coverage and "you" pay the required premium, this coverage continues for successive policy periods, subject to "our" premiums, rules, and forms then in effect. This coverage will expire if "you" do not pay the required premium before the end of the current policy period.

RENEWAL PLAN

(The entries required to complete this endorsement will be shown below or on the "declarations".)

1. The policy period on the "declarations" is deleted and replaced with the following:

Policy Period

_____ Time From _____ To _____
DATE DATE

and for successive policy periods subject to the conditions stated below.

2. Each successive policy period can be no more than 12 months.
3. If "we" elect to continue this coverage and "you" pay the required premium, this coverage continues for successive policy periods, subject to "our" premiums, rules, and forms then in effect. This coverage will expire if "you" do not pay the required premium before the end of the current policy period.

No changes to language. Form number change only.

AMENDATORY ENDORSEMENT ARKANSAS

1. Under Definitions, the definition of "pollutants" is deleted and replaced by the following:

"Pollutants" means any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of.

"We" will send "you" the necessary forms within 20 days after "you" first report the loss.

- [2. Under Uninsured Boaters Coverage, Arbitration is deleted and replaced by:

If "we" and an "insured" do not agree whether that person is legally entitled to recover damages under Coverage Z, or as to the amount of damages, either party may make a written request for arbitration.

If both parties voluntarily agree to arbitration, each will select an arbitrator and notify the other of the arbitrator's identity within 20 days after the receipt of the written request. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Arbitration will take place in the county in which the "insured" lives, unless both parties agree otherwise. Local rules of law regarding procedure and evidence will apply.

A written agreement by two of the arbitrators will determine whether the "insured" is legally entitled to recover damages and the amount of damages. This written agreement is non-binding on both parties.

Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.]

- [3.] 2. Under What Must Be Done In Case Of Loss, [the following is added to item 5.a. of] Other Duties -- Property Coverages, Proof Of Loss is amended to include the following:

[4.] 3. Under Other Policy Conditions, Conditions That Apply To All Coverages, [the following addition amends Subrogation] item d. under Recoveries is deleted and replaced by the following:

d. if the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy [If "you" assign to "us" the rights of recovery and "we" recover from another party], "we" will make "you" whole before recovering for "our" loss.

[5.] 4. Under Other Policy Conditions, Conditions That Apply Only To Property [All] Coverages, [item 5.a. of] Suit Against Us is deleted and replaced by the following:

[a. **Property Coverages -- The] Suit Against Us -- No suit may be brought against "us" unless all the "terms" that apply to Property Coverages have been complied with and the suit is brought within five years after the loss.**

If the applicable law makes this time period invalid, the suit must be brought within the time period allowed by the law.

[6.] 5. Under Other Policy Conditions, Conditions That Apply Only To Property Coverages, paragraphs a., b., and e. of Appraisal [is] are deleted and replaced by the following:

[Appraisal -- If "you" and "we" do not agree on the amount of the loss, the actual cash value of the property, or the cost to repair or replace the property, either party may make a written request for these amounts to be determined by appraisal.

If both parties voluntarily agree to an appraisal, each will select a competent independent appraiser and notify the other of the appraiser's identity within 20 days after the receipt of the written request. The two appraisers will select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.

For each item of property, the appraisers will determine:

- a. the amount of the loss;
- b. the actual cash value of the property; and
- c. the cost to repair or replace the property.

Each amount will be stated separately. If the appraisers submit a written report of an agreement to "us", the agreement will establish these amounts. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. A written agreement by two of these three will establish the amounts stated above. This written agreement is non-binding on both parties.

Each appraiser will be paid by the party selecting that appraiser. The compensation of the umpire and other costs of the appraisal will be shared equally by "you" and "us".]

- a. **Conditions For An Appraisal** -- If "you" and "we" do not agree on the amount of loss or the value of property, either party may make a written request that these amounts be determined by appraisal.
- b. **Selecting An Appraiser** -- If both parties voluntarily agree to an appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.
- e. **Failure To Agree** -- If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. A written agreement by two of these three will establish the amounts stated above. This written agreement is non-binding on both parties.

[ADDITIONAL] POLICY CONDITIONS ARKANSAS

Note all conditions other than cancellation, nonrenewal, and renewal have been moved to within the coverage form.

[1. **Assignment** -- This policy may not be assigned without "our" written consent.]

[2.] **1. Cancellation [a] And Nonrenewal** -- "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

"We" may cancel or not renew this policy by written notice to "you" at the address shown on the "declarations". Proof of delivery or mailing is sufficient proof of notice.

If this policy [is] has been in effect for 60 days or less, "we" may cancel for any reason. "We" will give "you" notice at least ten days before cancellation is effective.

If this policy has been in effect more than 60 days, or if it is a renewal of a policy issued by "us", "we" may cancel only at the anniversary date unless:

- a. the premium has not been paid when due;
- b. there has been fraud or material misrepresentation made by "you" or with "your" knowledge in obtaining the policy, continuing the policy, or in presenting a claim under the policy;
- c. there has been a material change or increase in hazard of the risk;
- d. there has been violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to any insured property or the occupancy thereof which substantially increases any hazard insured against under this policy; or

e. there has been a material violation of a material provision of the policy.

"We" will give "you" notice at least ten days before cancellation is effective if "we" cancel this policy for nonpayment of premium. If "we" cancel this policy for any other reason after it has been in effect for more than 60 days, "we" will give "you" notice at least 20 days in advance of cancellation.

If "we" do not renew this policy, "we" will give "you" notice at least 30 days before nonrenewal is effective.

"Your" return premium, if any, will be calculated on a pro-rata basis and will be refunded at the time of cancellation or as soon as practical. Payment or tender of the unearned premium is not a condition of cancellation.

[3. **Change, Modification, or Waiver of Policy Terms** -- A waiver or change of the "terms" of this policy must be issued by "us" in writing to be valid.

"Our" request for an appraisal or examination under oath does not waive policy "terms".

If this policy has no expiration date, "we" may substitute or "we" may add, at each anniversary date, forms that are then authorized for use.

4. **Inspections** -- "We" have the right, but are not obligated, to inspect "your" property and operations. This inspection may be made by "us" or may be made on "our" behalf. An inspection or its resulting advice or report does not warrant that "your" property or operations are safe, healthful, or in compliance with laws, rules, or regulations. Inspections or reports are for "our" benefit only.

5. **Examination of Books and Records** -- "We" may examine and audit "your" books

and records that relate to this policy during the policy period and within three years after the policy has expired.]

[6.] 2. **Renewal** -- If "we" intend to renew this policy, "we" will provide "you", and "your" agent of record, a written or electronic offer of renewal at least 30 days prior to the expiration of the policy's existing term. The offer of renewal will include the new premium and provide a description of any change in deductible or policy provisions in the renewal policy.

AMERICAN ASSOCIATION OF INSURANCE SERVICES

COMPANY ACTION EXHIBIT

ARKANSAS

FORMS AND ENDORSEMENTS

Companies that have granted AAIS filing authority for forms and endorsements for this line of insurance:

- can adopt an AAIS forms and endorsements filing, without modifications, on the effective date designated by AAIS without notifying the Arkansas Insurance Department (ARID).
- can adopt an AAIS forms and endorsements filing on an earlier effective date by notifying the ARID at least 30 days before their chosen effective date.
- can adopt an AAIS forms and endorsements filing on a later effective date by notifying the ARID at least 30 days before the effective date designated by AAIS.
- can modify an AAIS forms and endorsements filing by establishing an effective date and submitting their modifications to the ARID at least 30 days before their chosen effective date.
- can choose not to adopt an AAIS forms and endorsements filing by notifying the ARID on or before the effective date designated by AAIS.

Companies that have not granted AAIS filing authority for forms and endorsements for this line of insurance:

- can adopt an AAIS forms and endorsements filing by establishing an effective date and making a reference filing with the ARID at least 30 days before their chosen effective date. A reference filing should contain only transmittal forms and the filing reference numbers. Copies of AAIS filed and approved materials should ***not*** be included in a reference filing.

Include the AAIS and state file numbers in all correspondence with the ARID.