

SERFF Tracking Number: PRGS-125723166 State: Arkansas
First Filing Company: Progressive Casualty Insurance Company, ... State Tracking Number: EFT \$50
Company Tracking Number: L080230-AR-BT
TOI: 09.0 Inland Marine Sub-TOI: 09.0006 Other Personal Inland Marine
Product Name: Boat
Project Name/Number: L080230-AR-BT/L080230-AR-BT

Filing at a Glance

Companies: Progressive Casualty Insurance Company, Progressive Direct Insurance Company, Progressive Northwestern Insurance Company

| | | |
|---|------------------------------|---|
| Product Name: Boat | SERFF Tr Num: PRGS-125723166 | State: Arkansas |
| TOI: 09.0 Inland Marine | SERFF Status: Closed | State Tr Num: EFT \$50 |
| Sub-TOI: 09.0006 Other Personal Inland Marine | Co Tr Num: L080230-AR-BT | State Status: Fees verified and received |
| Filing Type: Form | Co Status: | Reviewer(s): Alexa Grissom, Betty Montesi |
| | Author: Pdp3 | Disposition Date: 07/10/2008 |
| | Date Submitted: 07/07/2008 | Disposition Status: Approved |
| Effective Date Requested (New): 11/14/2008 | | Effective Date (New): 11/14/2008 |
| Effective Date Requested (Renewal): | | Effective Date (Renewal): |
| State Filing Description: | | |

General Information

| | |
|---------------------------------------|-------------------------------|
| Project Name: L080230-AR-BT | Status of Filing in Domicile: |
| Project Number: L080230-AR-BT | Domicile Status Comments: |
| Reference Organization: | Reference Number: |
| Reference Title: | Advisory Org. Circular: |
| Filing Status Changed: 07/10/2008 | |
| State Status Changed: 07/08/2008 | Deemer Date: |
| Corresponding Filing Tracking Number: | |
| Filing Description: | |

The Arkansas Boat and Personal Watercraft Policy – Form 2747 AR (06/08) is an Arkansas-specific adaptation of the model boat and personal watercraft policy developed for use in every state. It will replace the Arkansas Boat and Personal Watercraft Policy – Form No. 2649 AR (12/07) that was approved on January 29, 2008, in your File # AR-PC-07-026418. A comparison document is included to assist you in reviewing all changes.

The Important Notice About Upcoming Changes in Your Coverage – Form Z571 AR (06/08) summarizes substantive

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changes to the policy and is submitted for informational purposes only and not for review and approval.

The Arkansas Combo (Agency/Direct) Application – Form 4999 AR (06/08) will replace the Arkansas COMBO (Agency/Direct) Application – Form 4999 AR (02/06) that was approved for use on July 27, 2006, in your File # AR-PC-06-018658. A comparison document has been included to assist you in your review.

The Coastal Navigation Endorsement – Form 4984 (09/07) replaces the Coastal Navigation Endorsement – Form 4984 (05/04), which was approved on July 27, 2006, in your File # AR-PC-06-018658. The Coastal Navigation Endorsement – Form 4984 (09/07) endorses the Arkansas Boat and Personal Watercraft Policy – Form 2747 AR (06/08) and will issue whenever an insured has paid a premium for coastal navigation coverage of 125 nautical miles. A comparison document has been included to assist you in your review.

Company and Contact

Filing Contact Information

Edward P. Simms, Senior Counsel edward_p_simms@progressive.com
 6300 Wilson Mills Rd. N72B (440) 395-3013 [Phone]
 Mayfield Village, OH 44143 (440) 395-3790[FAX]

Filing Company Information

| | | |
|--|-------------------------|-------------------------|
| Progressive Casualty Insurance Company | CoCode: 24260 | State of Domicile: Ohio |
| 6300 Wilson Mills Road | Group Code: 155 | Company Type: |
| Mayfield Village, OH 44143 | Group Name: | State ID Number: |
| (440) 461-5000 ext. [Phone] | FEIN Number: 34-6513736 | |

| | | |
|--------------------------------------|-------------------------|-------------------------|
| Progressive Direct Insurance Company | CoCode: 16322 | State of Domicile: Ohio |
| 6300 Wilson Mills Rd, N72 | Group Code: 155 | Company Type: |
| Cleveland, OH 44143 | Group Name: | State ID Number: |
| (440) 461-5000 ext. [Phone] | FEIN Number: 34-1524319 | |

| | | |
|--|-------------------------|-------------------------|
| Progressive Northwestern Insurance Company | CoCode: 42919 | State of Domicile: Ohio |
| 6300 Wilson Mills Road | Group Code: 155 | Company Type: |
| Mayfield Village, OH 44143 | Group Name: | State ID Number: |
| (440) 461-5000 ext. [Phone] | FEIN Number: 91-1187829 | |

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Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No
Fee Explanation: \$50.00 per filing
Per Company: No

| COMPANY | AMOUNT | DATE PROCESSED | TRANSACTION # |
|--|---------|----------------|---------------|
| Progressive Casualty Insurance Company | \$50.00 | 07/07/2008 | 21268847 |
| Progressive Direct Insurance Company | \$0.00 | 07/07/2008 | |
| Progressive Northwestern Insurance Company | \$0.00 | 07/07/2008 | |

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Correspondence Summary

Dispositions

| Status | Created By | Created On | Date Submitted |
|----------|---------------|------------|----------------|
| Approved | Alexa Grissom | 07/10/2008 | 07/10/2008 |

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Disposition

Disposition Date: 07/10/2008
Effective Date (New): 11/14/2008
Effective Date (Renewal):
Status: Approved
Comment:

Rate data does NOT apply to filing.

Overall Rate Information for Multiple Company Filings

| | |
|---|--------|
| Overall Percentage Rate Indicated For This Filing | 0.000% |
| Overall Percentage Rate Impact For This Filing | 0.000% |
| Effect of Rate Filing-Written Premium Change For This Program | \$0 |
| Effect of Rate Filing - Number of Policyholders Affected | 0 |

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| Item Type | Item Name | Item Status | Public Access |
|---------------------|--|-------------|---------------|
| Supporting Document | Uniform Transmittal Document-Property & Casualty | Approved | Yes |
| Supporting Document | Certificate of Readability | Approved | Yes |
| Supporting Document | Comparison Documents | Approved | Yes |
| Supporting Document | Summary of Changes | Approved | Yes |
| Supporting Document | Cover Letter | Approved | Yes |
| Form | Arkansas Boat and Personal Watercraft Policy | Approved | Yes |
| Form | Arkansas Combo (Agency/Direct) Application | Approved | Yes |
| Form | Coastal Navigation Endorsement | Approved | Yes |

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Form Schedule

| Review Status | Form Name | Form # | Edition Date | Form Type Action | Action Specific Data | Readability | Attachment |
|---------------|--|---------|--------------|---|--|-------------|--|
| Approved | Arkansas Boat and Personal Watercraft Policy | 2747 AR | 06/08 | Policy/Coverage Form Replaced | Replaced Form #: 46.70 2649 AR (12/07) Previous Filing #: AR-PC-07-026418 | | 2747_AR_06-08.pdf |
| Approved | Arkansas Combo (Agency/Direct) Application | 4999 AR | 06/08 | Application/Binder/Enrollment Replaced | Replaced Form #: 4999 AR (02/06) Previous Filing #: AR-PC-06-018658 | | 4999 AR_06-08_1c.pdf |
| Approved | Coastal Navigation Endorsement | 4984 | 09/07 | Endorsement/Amendment/Conditions Replaced | Replaced Form #: 4984 (05/04) Previous Filing #: AR-PC-06-018658 | | 4984_09-07_Coastal Navigation Endorsement.3c.pdf |

2747 AR 0608



ARKANSAS

BOAT AND PERSONAL WATERCRAFT POLICY



Form 2747 AR (06/08)

PROGRESSIVE[®]

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ARKANSAS BOAT AND PERSONAL WATERCRAFT POLICY

INSURING AGREEMENT

In return for **your** payment of the premium, **we** agree to insure **you** subject to all the terms, conditions, and limitations of this policy. **We** will insure **you** for the coverages and the limits of liability shown on this policy's **declarations page**. **Your** policy consists of the policy contract, **your** insurance application, the **declarations page**, and all endorsements to this policy.

GENERAL DEFINITIONS

The following definitions apply throughout the policy. Defined terms are printed in bold-face type and have the same meaning whether in the singular, plural, or any other form.

1. **"Additional watercraft"** means a **watercraft you** become the owner of during the policy period that does not permanently replace a **watercraft** shown on the **declarations page** if:
 - a. **we** insure all other **watercraft you** own;
 - b. the **additional watercraft** is not covered by any other insurance policy;
 - c. **you** notify **us** within 30 days of becoming the owner of the **additional watercraft**; and
 - d. **you** pay any additional premium due.

An **additional watercraft** will have the broadest coverage **we** provide for any **watercraft** shown on the **declarations page**. However, if the broadest coverage is Total Loss Replacement/Purchase Price Coverage or Agreed Value Coverage, **we** will provide basic Comprehensive Coverage and Collision Coverage for the **additional watercraft** instead of these coverages. If **you** decide to add any coverage to this policy or increase **your** limits, these changes to **your** policy will not become effective until after **you** ask **us** to add the coverage or increase **your** limits. If **you** ask **us** to insure an **additional watercraft** more than 30 days after **you** become the owner, any coverage **we** provide will begin at the time **you** request coverage.

2. **"Bodily injury"** means bodily harm, sickness, or disease, including death that results from bodily harm, sickness, or disease.
3. **"Covered watercraft"** means:
 - a. any **watercraft** shown on the **declarations page** for the coverages applicable to that **watercraft**;
 - b. any **additional watercraft**; or
 - c. any **replacement watercraft**.
4. **"Declarations page"** means the document showing **your** coverages, limits of liability, **covered watercraft**, premium, and other policy-related information. The **declarations page** may also be referred to as the Watercraft Insurance Coverage Summary.
5. **"Marine electronics"** means electronic devices used for marine navigation or marine communication, including, but not limited to, portable or handheld devices such as GPS.
6. **"Motor"** means a motor or motors owned by **you** and designed to propel a **covered watercraft**, including the following parts and accessories when supplied by the manufacturer:
 - a. remote controls;

- b. electric harnesses;
 - c. fuel containers; and
 - d. batteries.
7. **“Occupying”** means in, on, entering, exiting or proximate to a **watercraft**, or a non-motorized trailer which is designed to be towed on public roads by a land motor vehicle and designed for the transportation of a **watercraft**. **“Occupying”** includes being towed by a **watercraft** while the person is on a wake board, knee board, tube, air chair or water skis.
 8. **“Permanent equipment”** means equipment permanently installed on a **covered watercraft** using bolts or brackets, including slide-out brackets. **“Permanent equipment”** includes, but is not limited to, permanently installed:
 - a. ship-to-shore radios;
 - b. depth finders;
 - c. loran and GPS systems;
 - d. fish finders;
 - e. radar and sonar systems; and
 - f. auxiliary trolling motors.
 9. **“Portable boating equipment”** means detachable boating equipment owned by **you** and customarily kept in or on a **covered watercraft** for the maintenance or use of the **watercraft**. **“Portable boating equipment”** includes, but is not limited to:
 - a. anchors;
 - b. oars;
 - c. sails;
 - d. tarpaulins;
 - e. extra fuel tanks;
 - f. portable cook stoves;
 - g. safety and life-saving equipment;
 - h. deck chairs;
 - i. water skis and other water sports equipment intended to be towed by a **watercraft**, including, but not limited to, wake boards, knee boards, tubes and air chairs; and
 - j. portable **marine electronics**.
 10. **“Property damage”** means physical damage to, destruction of, or loss of use of tangible property.
 11. **“Punitive or exemplary damages”** means damages which may be imposed to punish a wrongdoer and to deter others from similar conduct.
 12. **“Relative”** means a person residing in the same household as **you**, and related to **you** by blood, marriage, or adoption, and includes a ward, stepchild, or foster child. **Your** unmarried dependent children temporarily away from home will qualify as a **relative** if they intend to continue to reside in **your** household.
 13. **“Replacement watercraft”** means a **watercraft** that permanently replaces a **watercraft** shown on the **declarations page**. A **replacement watercraft** will have the same coverage as the **watercraft** it replaces if the **replacement watercraft** is not covered by any other insurance policy. However:
 - a. if the **watercraft** being replaced had coverage under Part IV - Physical Damage Coverage, such coverage will apply to the **replacement watercraft** only during the first 30 days after **you** become the owner unless **you** notify **us**

within that 30-day period that **you** want **us** to extend coverage beyond the initial 30 days; and

- b. if the **watercraft** being replaced had Total Loss Replacement/Purchase Price Coverage or Agreed Value Coverage, **we** will provide basic Comprehensive Coverage and Collision Coverage for the **replacement watercraft** instead of these coverages.

If the **watercraft** being replaced did not have coverage under Part IV - Physical Damage Coverage, such coverage may be added, but the **replacement watercraft** will have no coverage under Part IV until **you** notify **us** of the **replacement watercraft** and ask **us** to add the coverage. If **you** decide to add any coverage to this policy or increase **your** limits, these changes to **your** policy will not become effective until after **you** ask **us** to add the coverage or increase **your** limits.

14. **“Seaworthy”** means fit to withstand the foreseeable and expected conditions of weather, wind, seas, and the rigors of normal and foreseeable use.
15. **“Trailer”** means a non-motorized trailer owned by **you** that is shown on the **declarations page** and which is designed to be towed on public roads by a land motor vehicle and designed for the transportation of a **covered watercraft**.
16. **“Watercraft”** means a boat or other craft that is designed for use on water and has a valid manufacturer’s or state-assigned hull identification number.
17. **“We”, “us”, and “our”** mean the underwriting company providing the insurance, as shown on the **declarations page**.
18. **“You” and “your”** mean:
 - a. a person or persons shown as a named insured on the **declarations page**; and
 - b. the spouse of a named insured if residing in the same household at the time of the loss.

PART I - LIABILITY TO OTHERS

INSURING AGREEMENT

If **you** pay the premium for this coverage, **we** will pay damages for **bodily injury** and **property damage** for which an **insured person** becomes legally responsible because of an accident.

Damages include prejudgment interest awarded against an **insured person**.

We will settle or defend, at **our** option, any claim for damages covered by this Part I.

ADDITIONAL DEFINITION

When used in this Part I:

“Insured person” means:

- a. **you** or a **relative** with respect to an accident arising out of the ownership, maintenance, or use of a **watercraft** or **trailer**;
- b. any person with respect to an accident arising out of that person’s use of a **covered watercraft** or **trailer** with the permission of **you** or a **relative**;

- c. any person or organization with respect only to vicarious liability for the acts or omissions of a person described in a or b above; and
- d. any Additional Interest Insured shown on the **declarations page** with respect only to its liability for the acts or omissions of a person described in a or b above.

ADDITIONAL PAYMENTS

In addition to **our** limit of liability, **we** will pay for an **insured person**:

1. all expenses that **we** incur in the settlement of any claim or defense of any lawsuit;
2. interest accruing after entry of judgment, until **we** have paid, offered to pay, or deposited in court that portion of the judgment which does not exceed **our** limit of liability. This does not apply if **we** have not been given notice of suit or the opportunity to defend an **insured person**;
3. the premium on any appeal bond or attachment bond required in any lawsuit **we** defend. **We** have no duty to purchase a bond in an amount exceeding **our** limit of liability, and **we** have no duty to apply for or furnish these bonds;
4. up to \$250 for a bail bond required because of an accident resulting in **bodily injury** or **property damage** covered under this Part I. **We** have no duty to apply for or furnish this bond; and
5. reasonable expenses, including loss of earnings up to \$200 per day, incurred at **our** request.

EXCLUSIONS - READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART I.

Coverage under this Part I, including **our** duty to defend, will not apply to any **insured person** for:

1. **bodily injury** or **property damage** arising out of the ownership, maintenance, or use of any watercraft or trailer while being used:
 - a. to carry persons or property for compensation or a fee;
 - b. in any illegal transportation or trade; or
 - c. in any business or occupation.

This exclusion does not apply to use of a **watercraft** or **trailer** for tournament fishing;

2. any liability assumed under any contract or agreement by **you** or a **relative**;
3. **bodily injury** to an employee of that **insured person** arising out of or within the course of employment. This exclusion does not apply to domestic employees if benefits are neither paid nor required to be provided under workers' compensation, disability benefits, or similar laws;
4. **bodily injury** or **property damage** resulting from, or sustained during practice or preparation for:
 - a. any pre-arranged or organized racing, stunting, speed or demolition contest or activity; or
 - b. any driving, riding, navigation, piloting or boating activity conducted on a permanent or temporary racecourse.

This exclusion does not apply to **bodily injury** or **property damage** resulting from the use of a sailboat in any pre-arranged or organized racing or speed contest, or in practice or preparation for any such contest;

5. **bodily injury** or **property damage** due to a nuclear reaction or radiation;
6. **bodily injury** or **property damage** for which insurance:
 - a. is afforded under a nuclear energy liability insurance contract; or
 - b. would be afforded under a nuclear energy liability insurance contract but for its termination upon exhaustion of its limit of liability;
7. any obligation for which the United States Government is liable under the Federal Tort Claims Act;
8. **bodily injury** or **property damage** caused by an intentional act of that **insured person**, or at the direction of that **insured person**, even if the actual injury or damage is different than that which was intended or expected;
9. **property damage** to any property owned by, rented to, being transported by, used by, or in the charge of that **insured person**. The term "property" includes, without limitation, any **covered watercraft** and any watercraft other than a **covered watercraft**. This exclusion does not apply to a launching ramp, dock, mooring device or boat storage house rented by **you**;
10. **bodily injury** to **you** or a **relative**;
11. **bodily injury** or **property damage** arising out of the ownership, maintenance, or use of any watercraft or trailer owned by **you** or furnished or available for **your** regular use, other than a **covered watercraft** or **trailer** for which this coverage has been purchased;
12. **bodily injury** or **property damage** arising out of the ownership, maintenance, or use of any watercraft or trailer owned by a **relative** or furnished or available for the regular use of a **relative**, other than a **covered watercraft** or **trailer** for which this coverage has been purchased. This exclusion does not apply to **your** maintenance or use of such watercraft or trailer;
13. **bodily injury** or **property damage** arising out of **your** or a **relative's** use of a watercraft or trailer, other than a **covered watercraft** or **trailer** for which this coverage has been purchased, without the permission of the owner of the watercraft or trailer or the person in lawful possession of the watercraft or trailer;
14. **bodily injury** or **property damage** arising out of the use of a **covered watercraft** or **trailer** while leased or rented to others or given in exchange for any compensation. This exclusion does not apply to the operation of a **covered watercraft** or **trailer** by **you** or a **relative**;
15. **punitive** or **exemplary** damages;
16. **bodily injury** or **property damage** caused by, or reasonably expected to result from, a criminal act or omission of that **insured person**. This exclusion applies regardless of whether that **insured person** is actually charged with, or convicted of, a crime. For purposes of this exclusion, criminal acts or omissions do not include violations of laws or regulations governing the operation of watercraft, provided such violations are not punishable by imprisonment or incarceration;
17. **bodily injury** or **property damage** arising out of para-sailing, kite skiing, or any other activity involving a device designed for flight;
18. **bodily injury** or **property damage** that occurs because a **covered watercraft** is not in **seaworthy** condition;
19. **bodily injury** or **property damage** arising out of an accident involving a watercraft or trailer while being towed by or carried by a land motor vehicle;

20. payment for **bodily injury**, or any other payment or obligation, to any person eligible to receive any benefits required to be provided by **you** under the Jones Act or Federal Longshoremen's and Harbor Workers' Compensation Act; or
21. **bodily injury or property damage** arising out of an accident while using a watercraft as a primary or permanent residence.

LIMITS OF LIABILITY

The limit of liability shown on the **declarations page** for liability coverage is the most **we** will pay regardless of the number of:

1. claims made;
2. **covered watercraft**;
3. **insured persons**;
4. lawsuits brought;
5. watercraft or trailers involved in the accident;
6. premiums paid; or
7. **trailers**.

If **your declarations page** shows a split limit:

1. the amount shown for "each person" is the most **we** will pay for all damages due to **bodily injury** to one person resulting from any one accident;
2. subject to the "each person" limit, the amount shown for "each accident" is the most **we** will pay for all damages due to **bodily injury** sustained by two or more persons in any one accident; and
3. the amount shown for "property damage" is the most **we** will pay for the total of all **property damage** resulting from any one accident.

The "each person" limit of liability applies to the total of all claims made for **bodily injury** to a person and all claims of others, if allowed by law, derived from such **bodily injury**, including, but not limited to, emotional injury or mental anguish resulting from the **bodily injury** of another or from witnessing the **bodily injury** to another, loss of society, loss of companionship, loss of services, loss of consortium, and wrongful death.

If the **declarations page** shows that "combined single limit" or "CSL" applies, the amount shown is the most **we** will pay for the total of all damages resulting from any one accident. However, without changing this limit of liability, **we** will comply with any law that requires **us** to provide any separate limits.

No one is entitled to duplicate payments for the same elements of damages.

Any payment to a person under this Part I will be reduced by any payment to that person under Part III - Uninsured Boater Coverage.

We will not pay under this Part I any expenses paid or payable under Part II - Medical Payments Coverage.

If multiple boat and personal watercraft policies issued by **us** are in effect for **you**, **we** will pay no more than the highest limit of liability for this coverage available under any one policy.

A **watercraft** and:

1. a **trailer** which the **watercraft** is in or on;
 2. a **trailer** to which the **watercraft** is attached;
 3. a **trailer** which the **watercraft** is in the process of being placed onto or into; or
 4. a **trailer** from which the **watercraft** is in the process of being removed;
- are considered one **watercraft** for purposes of determining the limits of liability under this Part I. Therefore, the limits of liability will not be increased for an accident involving a **watercraft** and **trailer** in any of the aforementioned circumstances.

If **you** are legally required to pay for the cost of any attempted or actual raising, removal, towing, or destruction of the wreckage of a **covered watercraft** or a watercraft of others, then **we** will pay under this Part I up to the limit of liability for **property damage**. However, if Wreckage Removal Coverage applies under Part IV - Physical Damage Coverage, then **we** will pay for the cost of any attempted or actual raising, removal, towing, or destruction of the wreckage of a **covered watercraft** pursuant to the limits set forth in the Wreckage Removal Coverage.

OTHER INSURANCE

If there is any other applicable liability insurance or bond, **we** will pay only **our** share of the damages. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits. However, any insurance **we** provide for a watercraft or trailer, other than a **covered watercraft** or **trailer**, will be excess over any other collectible insurance, self-insurance, or bond.

RIGHT OF DIRECT ACTION

Any person entitled to payment of damages covered under this Part I, or his or her personal representative, shall be subrogated to the right of the person shown as the named insured on the **declarations page** for payment under this Part I. If a judgment against an **insured person** remains unsatisfied after 30 days from the date notice of entry of judgment was served on either the **insured person**, the attorney for the **insured person**, or **us**, the injured person, or his or her personal representative, may maintain an action against **us** for the amount of the judgment not exceeding **our** Limits of Liability.

PART II - MEDICAL PAYMENTS COVERAGE

INSURING AGREEMENT

If **you** pay the premium for this coverage, **we** will pay the reasonable expenses incurred for necessary **medical services** received within three years from the date of an accident involving a **watercraft** or **trailer** because of **bodily injury**:

1. sustained by an **insured person**; and
2. caused by that accident.

We, or someone on **our** behalf, will determine:

1. whether the expenses for **medical services** are reasonable; and
2. whether the **medical services** are necessary.

ADDITIONAL DEFINITIONS

When used in this Part II:

1. **"Insured person"** means:
 - a. **you** or a **relative**:
 - (i) while **occupying** a **watercraft** or **trailer**; or
 - (ii) when struck, while not **occupying** a **watercraft**, by a:
 1. **watercraft**; or
 2. trailer designed to transport a **watercraft** and to be towed on public roads by a land motor vehicle; and
 - b. any other person while **occupying** a **covered watercraft** or **trailer** with the permission of **you** or a **relative**.
2. **"Medical services"** means medical, surgical, dental, x-ray, ambulance, hospital, professional nursing, and funeral services, and includes the cost of eyeglasses, hearing aids, pharmaceuticals, and orthopedic and prosthetic devices.

EXCLUSIONS - READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART II.

Coverage under this Part II will not apply to **bodily injury**:

1. sustained by any person while **occupying** a **covered watercraft** or **trailer** while it is being used:
 - a. to carry persons or property for compensation or a fee;
 - b. in any illegal transportation or trade; or
 - c. in any business or occupation.This exclusion does not apply to use of a **covered watercraft** or **trailer** for tournament fishing;
2. if workers' compensation benefits, or similar benefits, are available for the **bodily injury** under any state, federal, or maritime law;
3. to any person resulting from, or sustained during practice or preparation for:
 - a. any pre-arranged or organized racing, stunting, speed or demolition contest or activity; or
 - b. any driving, riding, navigation, piloting or boating activity conducted on a permanent or temporary racecourse.This exclusion does not apply to **bodily injury** resulting from the use of a sailboat in any pre-arranged or organized racing or speed contest, or in practice or preparation for any such contest;
4. due to a nuclear reaction or radiation;
5. for which insurance:
 - a. is afforded under a nuclear energy liability insurance contract; or
 - b. would be afforded under a nuclear energy liability insurance contract but for its termination upon exhaustion of its limit of liability;
6. for which the United States Government is liable under the Federal Tort Claims Act;
7. sustained by any person while **occupying** any watercraft or trailer while located for use as a residence or premises;
8. sustained by any person while **occupying** or when struck by any watercraft or trailer owned by **you** or furnished or available for **your** regular use, other than a **covered watercraft** or **trailer** for which this coverage has been purchased;

9. sustained by any person while **occupying** or when struck by any watercraft or trailer owned by a **relative** or furnished or available for the regular use of a **relative**, other than a **covered watercraft** or **trailer** for which this coverage has been purchased. This exclusion does not apply to **you**;
10. to **you** or a **relative** while **occupying** any watercraft or trailer, other than a **covered watercraft** or **trailer**, without the permission of the owner of the watercraft or trailer or the person in lawful possession of the watercraft or trailer;
11. to any person while **occupying** a **covered watercraft** or **trailer** while leased or rented to others or given in exchange for any compensation. This exclusion does not apply to the operation of a **covered watercraft** or **trailer** by **you** or a **relative**;
12. caused directly or indirectly by:
 - a. war (declared or undeclared) or civil war;
 - b. warlike action by any military force of any government, sovereign or other authority using military personnel or agents. This includes any action taken to hinder or defend against an actual or expected attack; or
 - c. insurrection, rebellion, revolution, usurped power, or any action taken by a governmental authority to hinder or defend against any of these acts;
13. caused directly or indirectly by:
 - a. any accidental or intentional discharge, dispersal or release of radioactive, nuclear, pathogenic, or poisonous material; or
 - b. any intentional discharge, dispersal or release of chemical or hazardous material for any purpose other than its safe and useful purpose;
14. caused by, or reasonably expected to result from, a criminal act or omission of an **insured person**. This exclusion applies regardless of whether the **insured person** is actually charged with, or convicted of, a crime. For purposes of this exclusion, criminal acts or omissions do not include violations of laws or regulations governing the operation of watercraft, provided such violations are not punishable by imprisonment or incarceration;
15. arising out of para-sailing, kite skiing, or any other activity involving a device designed for flight;
16. sustained by any person while a watercraft or trailer is being towed by or carried by a land motor vehicle; or
17. that occurs because the **covered watercraft** is not in **seaworthy** condition.

LIMITS OF LIABILITY

The limit of liability shown on the **declarations page** for Medical Payments Coverage is the most **we** will pay for each **insured person** injured in any one accident, regardless of the number of:

1. claims made;
2. **covered watercraft**;
3. **insured persons**;
4. lawsuits brought;
5. watercraft or trailers involved in the accident;
6. premiums paid; or
7. **trailers**.

No one will be entitled to duplicate payments under this policy for the same elements of damages.

Any amount payable to an **insured person** under this Part II will be reduced by any amount paid or payable for the same expense under Part I - Liability To Others or Part III - Uninsured Boater Coverage.

If multiple boat and personal watercraft policies issued by **us** are in effect for **you, we** will pay no more than the highest limit of liability for this coverage available under any one policy.

UNREASONABLE OR UNNECESSARY MEDICAL EXPENSES

If an **insured person** incurs expenses for **medical services** that **we** deem to be unreasonable or unnecessary, **we** may refuse to pay for those expenses and contest them.

If the medical service provider sues the **insured person** because **we** refuse to pay expenses for **medical services** that **we** deem to be unreasonable or unnecessary, **we** will pay any resulting defense costs, and any resulting judgment against the **insured person**, subject to the limit of liability for this coverage. **We** will choose the counsel. **We** will also pay reasonable expenses, including loss of earnings up to \$200 per day, incurred at **our** request.

The **insured person** may not sue **us** for expenses for **medical services** **we** deem to be unreasonable or unnecessary unless the **insured person** paid the entire disputed amount to the medical service provider or the medical service provider has initiated collection activity against the **insured person** for the unreasonable or unnecessary expenses.

OTHER INSURANCE

If there is other applicable medical payments insurance, **we** will pay only **our** share of the loss. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits. However, any insurance **we** provide for an **insured person occupying** a watercraft or trailer, other than a **covered watercraft** or **trailer**, will be excess over any other insurance providing payments for **medical services**.

PART III - UNINSURED BOATER COVERAGE

INSURING AGREEMENT

If **you** pay the premium for this coverage, **we** will pay for damages that an **insured person** is legally entitled to recover from the owner or operator of an **uninsured watercraft** because of **bodily injury**:

1. sustained by an **insured person**;
2. caused by an accident; and
3. arising out of the ownership, maintenance, or use of an **uninsured watercraft**.

We will pay under this Part III only after the limits of liability under all applicable bodily injury liability bonds and policies have been exhausted by payment of judgments or settlements.

Any judgment or settlement for damages against an owner or operator of an **uninsured watercraft** that arises out of a lawsuit brought without **our** written consent is not binding on **us**.

ADDITIONAL DEFINITIONS

When used in this Part III, whether in the singular, plural or possessive:

1. **“Insured person”** means:
 - a. **you** or a **relative**;
 - b. any person while operating a **covered watercraft** with the permission of **you** or a **relative**;
 - c. any person **occupying**, but not operating, a **covered watercraft** or a **trailer**; and
 - d. any person who is entitled to recover damages covered by this Part III because of **bodily injury** sustained by a person described in a, b, or c above.
2. **“Uninsured watercraft”** means a watercraft of any type:
 - a. to which no bodily injury liability bond or policy applies at the time of the accident;
 - b. to which a bodily injury liability bond or policy applies at the time of the accident, but the bonding or insuring company:
 - (i) denies coverage; or
 - (ii) is or becomes insolvent;
 - c. that is a hit-and-run watercraft whose operator or owner cannot be identified and which strikes:
 - (i) **you** or a **relative**;
 - (ii) a watercraft that **you** or a **relative** are **occupying**; or
 - (iii) a **covered watercraft** or **trailer**;provided that the **insured person**, or someone on his or her behalf, reports the accident to the coast guard, police, or other civil authority within 24 hours or as soon as practicable after the accident; or
 - d. to which a bodily injury liability bond or policy applies at the time of the accident, but the sum of all applicable limits of liability for bodily injury is less than the coverage limit for Uninsured Boater Coverage shown on the **declarations page**.

An **“uninsured watercraft”** does not include any watercraft, trailer or equipment:

- a. owned by **you** or a **relative** or furnished or available for the regular use of **you** or a **relative**;
- b. owned or operated by a self-insurer, except a self-insurer that is or becomes insolvent;
- c. while located for use as a permanent or primary residence;
- d. owned by any governmental unit or agency;
- e. that is a **covered watercraft** or **trailer**; or
- f. that is being towed by or carried by a land motor vehicle.

EXCLUSIONS - READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART III.

Coverage under this Part III will not apply to:

1. **bodily injury** sustained by any person while using or **occupying** a **covered watercraft** or **trailer** while being used:
 - a. to carry persons or property for compensation or a fee;
 - b. in any illegal transportation or trade; or
 - c. in any business or occupation.

This exclusion does not apply to use of a **covered watercraft** or **trailer** for tournament fishing;

2. **bodily injury** sustained by any person while using or **occupying** a watercraft or trailer that is owned by or available for the regular use of **you** or a **relative**. This exclusion does not apply to a **covered watercraft** or **trailer** that is insured under this Part III;
3. **bodily injury** sustained by **you** or a **relative** while using any watercraft or trailer, other than a **covered watercraft** or **trailer**, without the permission of the owner of the watercraft or trailer or the person in lawful possession of the watercraft or trailer;
4. directly or indirectly benefit any insurer or self-insurer under any of the following or similar laws:
 - a. workers' compensation law;
 - b. disability benefits law;
 - c. Jones Act; or
 - d. Federal Longshoremen's and Harbor Workers' Compensation Act;
5. any **punitive or exemplary** damages;
6. **bodily injury** sustained by any person if that person or the legal representative of that person settles without **our** written consent;
7. **bodily injury** sustained by any person resulting from, or sustained during practice or preparation for:
 - a. any pre-arranged or organized racing, stunting, speed or demolition contest or activity; or
 - b. any driving, riding, navigation, piloting or boating activity conducted on a permanent or temporary racecourse.

This exclusion does not apply to **bodily injury** resulting from the use of a sailboat in any pre-arranged or organized racing or speed contest, or in practice or preparation for any such contest;

8. **bodily injury** sustained by any person while using or **occupying**:
 - a. a para-sail, kite ski, or any other device designed for flight;
 - b. a **covered watercraft** or **trailer** while leased or rented to others or given in exchange for any compensation; or
 - c. a **covered watercraft** or **trailer** without the express or implied permission of **you**, a **relative**, or the owner of the **covered watercraft** or **trailer**; or
9. any accident involving a watercraft or trailer that is being towed by or carried by a land motor vehicle.

LIMITS OF LIABILITY

The limit of liability shown on the **declarations page** for Uninsured Boater Coverage is the most **we** will pay regardless of the number of:

1. claims made;
2. **covered watercraft**;
3. **insured persons**;
4. lawsuits brought;
5. watercraft or trailers involved in the accident;
6. premiums paid; or
7. **trailers**.

If the **declarations page** shows that “combined single limit” or “CSL” applies, the amount shown is the most **we** will pay for all damages resulting from any one accident. However, without changing this total limit of liability, **we** will comply with any law that requires **us** to provide any separate limits.

If **your declarations page** shows a split limit:

1. the amount shown for “each person” is the most **we** will pay for all damages due to **bodily injury** to one person; and
2. subject to the “each person” limit, the amount shown for “each accident” is the most **we** will pay for all damages due to **bodily injury** sustained by two or more persons in any one accident.

The “each person” limit of liability includes the total of all claims made for **bodily injury** to an **insured person** and all claims of others derived from such **bodily injury**, including, but not limited to, emotional injury or mental anguish resulting from the **bodily injury** of another or from witnessing the **bodily injury** to another, loss of society, loss of companionship, loss of services, loss of consortium, and wrongful death.

The Limits of Liability under this Part III shall be reduced by all sums:

1. paid because of **bodily injury** by or on behalf of any persons or organizations that may be legally responsible;
2. paid or payable under Part I - Liability To Others; and
3. paid or payable because of **bodily injury** under any of the following or similar laws:
 - a. workers’ compensation law;
 - b. disability benefits law;
 - c. Jones Act; or
 - d. Federal Longshoremen’s and Harbor Workers’ Compensation Act.

We will not pay under this Part III any expenses paid or payable under Part II - Medical Payments Coverage.

No one will be entitled to duplicate payments for the same elements of damages.

If multiple boat and personal watercraft policies issued by **us** are in effect for **you**, **we** will pay no more than the highest limit of liability for this coverage available under any one policy.

OTHER INSURANCE

If there is other applicable uninsured or underinsured boater coverage or similar coverage, **we** will pay only **our** share of the damages. **Our** share is the proportion that **our** limit of liability bears to the total of all available coverage limits. However, any insurance **we** provide with respect to a watercraft that is not a **covered watercraft**, or with respect to a trailer that is not a **trailer**, will be excess over any other uninsured or underinsured boater coverage or similar coverage.

ARBITRATION

If **we** and an **insured person** cannot agree on:

1. the legal liability of the operator or owner of an **uninsured watercraft**; or
2. the amount of the damages sustained by the **insured person**;

this will be determined by arbitration if **we** and the **insured person** mutually agree to arbitration prior to the expiration of the bodily injury statute of limitations in the state in which the accident occurred.

In the event of arbitration, each party will select an arbitrator. The two arbitrators will select a third. If the two arbitrators cannot agree on a third arbitrator within 30 days, then on joint application by the **insured person** and **us**, the third arbitrator will be appointed by a court having jurisdiction.

Each party will pay the costs and fees of its arbitrator and any other expenses it incurs. The costs and fees of the third arbitrator will be shared equally.

Unless both parties agree otherwise, arbitration will take place in the county in which the **insured person** resides. Local rules of procedure and evidence will apply.

A decision agreed to by two of the arbitrators will determine:

1. the legal liability of the operator or owner of an **uninsured watercraft**; and
 2. the amount of the damages sustained by the **insured person**;
- but will not be binding on either the **insured person** or **us**.

The arbitrators will have no authority to award an amount in excess of the limit of liability.

We and an **insured person** may agree to an alternate form of arbitration.

PART IV - PHYSICAL DAMAGE COVERAGE

INSURING AGREEMENT - COLLISION COVERAGE

If **you** pay the premium for this coverage, **we** will pay for sudden, direct and accidental loss to a **covered watercraft** resulting from **collision**.

INSURING AGREEMENT - COMPREHENSIVE COVERAGE

If **you** pay the premium for this coverage, **we** will pay for sudden, direct and accidental loss to a **covered watercraft** that is not caused by **collision**.

A loss not caused by **collision** includes:

1. impact with an animal (including a bird);
2. explosion or earthquake;
3. fire;
4. malicious mischief or vandalism;
5. missiles or falling objects;
6. riot or civil commotion;
7. theft or larceny;
8. windstorm, hail, water, or flood; or
9. breakage of glass not caused by **collision**.

ADDITIONAL DEFINITIONS

When used in this Part IV:

1. "**Agreed value**" means the "agreed value" as shown on the **declarations page**.
2. "**Collision**" means the upset of a watercraft or trailer or its impact with another watercraft or object. **Collision** includes those collisions caused by the failure of a line or mooring device securing a **watercraft**, other than such failures resulting from a:
 - a. windstorm;
 - b. flood;
 - c. hailstorm;
 - d. rainstorm; or
 - e. thunderstorm or other weather event;for which a governmental agency issued a watch, warning, advisory or similar notice.
3. "**Covered watercraft**" means a "**covered watercraft**" as defined in the "General Definitions" section of this policy, including the following components:
 - a. **motor(s)**;
 - b. **permanent equipment** even if temporarily stored ashore;
 - c. **portable boating equipment** while used with the **covered watercraft** or while temporarily stored ashore; and
 - d. **trailer**.
4. "**Purchase price**" means the "purchase price" as shown on the **declarations page**.

EXCLUSIONS - READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART IV.

Coverage under this Part IV will not apply for loss:

1. to any watercraft or trailer while being used:
 - a. to carry persons or property for compensation or a fee;
 - b. in any illegal transportation or trade; or
 - c. in any business or occupation.This exclusion does not apply to use of a **covered watercraft** or **trailer** for tournament fishing;
2. to any watercraft or trailer caused by, or reasonably expected to result from, a criminal act or omission of **you**, a **relative**, or the owner of a **covered watercraft**.

This exclusion applies regardless of whether **you**, the **relative**, or the owner of the **covered watercraft** is actually charged with, or convicted of, a crime. For purposes of this exclusion, criminal acts or omissions do not include violations of laws or regulations governing the operation of watercraft, provided such violations are not punishable by imprisonment or incarceration;

3. that occurs because a **covered watercraft** is not in **seaworthy** condition;
4. resulting from, or sustained during practice or preparation for:
 - a. any pre-arranged or organized racing, stunting, speed or demolition contest or activity; or
 - b. any driving, riding, navigation, piloting or boating activity conducted on a permanent or temporary racecourse.

This exclusion does not apply to loss resulting from the use of a sailboat in any pre-arranged or organized racing or speed contest, or in practice or preparation for any such contest;

5. to any watercraft or trailer for which insurance:
 - a. is afforded under a nuclear energy liability insurance contract; or
 - b. would be afforded under a nuclear energy liability insurance contract but for its termination upon exhaustion of its limit of liability;
6. due to destruction or confiscation of a **covered watercraft** by governmental or civil authorities because **you** or any **relative** engaged in illegal activities;
7. caused by an intentional act committed by or at the direction of **you**, a **relative**, or the owner of a **covered watercraft**, even if the actual damage is different than that which was intended or expected;
8. caused directly or indirectly by:
 - a. wear and tear;
 - b. gradual deterioration of any kind including, but not limited to, weathering, rust, corrosion, mold, wet or dry rot, osmosis, delamination or blistering;
 - c. dock rash or other gradual marring or scratching;
 - d. mechanical, electrical, or structural breakdown, except for subsequent loss by fire or explosion; or
 - e. any design, manufacturing or latent defect;of any watercraft. This exclusion does not apply:
 - a. if the damage results from the theft of a **covered watercraft**; or
 - b. to loss caused by mold or mildew if such loss is caused by any other loss covered under this Part IV;
9. due and confined to:
 - a. wear and tear;
 - b. mechanical, electrical, or structural breakdown; or
 - c. any design, manufacturing or latent defect;of any trailer;
10. caused directly or indirectly by:
 - a. insects, birds or other animals, including rodents and other types of vermin, unless the **covered watercraft** sustaining the loss was secured with a fitted cover at the time of the loss;
 - b. marine life; or

- c. smog, humidity, mildew, mold, freezing, thawing, or extremes of temperature. This exclusion does not apply to loss:
 - a. resulting from impact with an animal; or
 - b. caused by mold or mildew if such loss is caused by any other loss covered under this Part IV;
- 11. due to theft or conversion of a **covered watercraft**:
 - a. by **you**, a **relative**, or any resident of **your** household;
 - b. prior to its delivery to **you** or a **relative**; or
 - c. while on a trailer and in the care, custody, or control of anyone engaged primarily in the business of selling the **covered watercraft** while the **covered watercraft** is left in an unsecured condition or location for purposes of selling;
- 12. to any personal property other than a **covered watercraft**;
- 13. to a **covered watercraft** for diminution of value;
- 14. to a **covered watercraft** while it is leased or rented to others or given in exchange for any compensation. This exclusion does not apply to the operation of a **covered watercraft** by **you** or a **relative**;
- 15. to a **covered watercraft** if repairs are made in Mexico, except for those repairs that must be performed in Mexico in order to return the **covered watercraft** to the United States;
- 16. caused directly or indirectly by:
 - a. war (declared or undeclared) or civil war;
 - b. warlike action by any military force of any government, sovereign or other authority using military personnel or agents. This includes any action taken to hinder or defend against an actual or expected attack; or
 - c. insurrection, rebellion, revolution, usurped power, or any action taken by a governmental authority to hinder or defend against any of these acts;
- 17. to any **covered watercraft** caused directly or indirectly by:
 - a. any accidental or intentional discharge, dispersal or release of radioactive, nuclear, pathogenic, or poisonous material; or
 - b. any intentional discharge, dispersal or release of chemical or hazardous material for any purpose other than its safe and useful purpose; or
- 18. arising out of an accident while using a **watercraft** as a primary or permanent residence.

LIMITS OF LIABILITY

- 1. The limit of liability for loss to a **covered watercraft** is the lowest of:
 - a. the actual cash value of the stolen or damaged property at the time of the loss, reduced by the applicable deductible. If the stolen or damaged property was an **additional watercraft** or **replacement watercraft**, the actual cash value for purposes of this subparagraph a. will not exceed the watercraft value shown on **your declarations page** unless **you** have notified **us** of the **additional watercraft** or **replacement watercraft** and paid any additional premium due;
 - b. the amount necessary to replace the stolen or damaged property, reduced by the applicable deductible;

- c. the amount necessary to repair the damaged property to its pre-loss condition, reduced by the applicable deductible; or
 - d. the amount shown on the **declarations page** for that **covered watercraft**.
2. Payments for loss to a **covered watercraft** are subject to the following provisions:
- a. Coverage for **permanent equipment** and **portable boating equipment** will not cause **our** limit of liability for loss to a **watercraft** under this Part IV to be increased to an amount in excess of the actual cash value of the **watercraft**, including its **permanent equipment** and **portable boating equipment**.
 - b. A deductible of \$250 shall apply to each loss to a **trailer** if **you** have paid the premium for trailer coverage. However, no deductible for loss to a **trailer** shall apply if **you** have incurred a deductible under Comprehensive Coverage or Collision Coverage for the same loss.
 - c. A deductible of \$500 shall apply to each loss to **marine electronics**. However, no deductible for loss to **marine electronics** shall apply if **you** have incurred a deductible under Comprehensive Coverage or Collision Coverage for the same loss.
 - d. If two or more deductibles apply to any one covered loss, only the lowest deductible will apply.
 - e. In determining the amount necessary to repair damaged property to its pre-loss condition, the amount to be paid by **us**:
 - (i) will not exceed the prevailing competitive labor rates charged in the area where the property is to be repaired, and the cost of repair or replacement parts and equipment, as reasonably determined by **us**; and
 - (ii) will be based on the cost of repair or replacement parts and equipment which may be new, reconditioned, remanufactured, or used, including, but not limited to:
 - (a) original manufacturer parts or equipment; and
 - (b) nonoriginal manufacturer parts or equipment.
 - f. The actual cash value is determined by the market value, age, and condition of the **covered watercraft** at the time the loss occurs.
 - g. IN THE REPAIR OF **YOUR COVERED WATERCRAFT** UNDER THE PHYSICAL DAMAGE COVERAGE PROVISIONS OF THIS POLICY, **WE** MAY REQUIRE OR SPECIFY THE USE OF PARTS NOT MADE BY THE ORIGINAL MANUFACTURER. THESE PARTS ARE REQUIRED TO BE AT LEAST EQUAL IN TERMS OF FIT, QUALITY, PERFORMANCE, AND WARRANTY TO THE ORIGINAL MANUFACTURER PARTS THEY REPLACE.
3. If there is more than one **covered watercraft**, coverage will be provided as specified on the **declarations page** as to each **covered watercraft**.
4. In the event of a loss to an inflatable **covered watercraft**, **we** will pay for repairs made in accordance with the manufacturer's specifications or accepted repair practices, including repairs by airtight patch or similar method.
5. Duplicate recovery for the same elements of damages is not permitted.

INSURING AGREEMENT - TOTAL LOSS REPLACEMENT/ PURCHASE PRICE COVERAGE

If **you** pay the premium for this coverage, then subsection 1 of the Limits of Liability provision under this Part IV shall not apply, and the following provision shall apply to a loss to a **covered watercraft**:

1. The limit of liability for a **covered watercraft** for which Total Loss Replacement/ Purchase Price Coverage was purchased is as follows:
 - a. for a total loss to a **covered watercraft**:
 - (i) if the **covered watercraft** is, at the time of the total loss, the current model year, or the first through fourth preceding model year, and:
 - (a) **you** choose to replace the **covered watercraft**, **our** limit of liability shall be the cost, as determined by **us**, of a new **watercraft** that is, to the extent possible, the same make, class, size, and type, and which contains comparable equipment to the **covered watercraft**; or
 - (b) **you** choose not to replace the **covered watercraft**, **our** limit of liability shall be the **purchase price** for the **covered watercraft**; or
 - (ii) if the **covered watercraft** is, at the time of the total loss, the fifth preceding model year or older, **our** limit of liability shall be the **purchase price**;
 - b. for a loss to a **covered watercraft**, other than a total loss, **our** limit of liability is the lowest of:
 - (i) the amount necessary to replace the stolen or damaged property, reduced by the applicable deductible;
 - (ii) the amount necessary to repair the damaged property to its pre-loss condition, reduced by the applicable deductible; or
 - (iii) the **purchase price** for the **covered watercraft**.

INSURING AGREEMENT - AGREED VALUE COVERAGE

If **you** pay the premium for this coverage, then subsection 1 of the Limits of Liability provision under this Part IV shall not apply, and the following provision shall apply to a sudden, direct and accidental loss to a **covered watercraft**:

1. The limit of liability for a **covered watercraft** for which Agreed Value Coverage was purchased is as follows:
 - a. for a total loss to a **covered watercraft**, **our** limit of liability is the **agreed value** for the **covered watercraft**;
 - b. for a loss to a **covered watercraft**, other than a total loss, **our** limit of liability is the lowest of:
 - (i) the amount necessary to replace the stolen or damaged property, reduced by the applicable deductible;
 - (ii) the amount necessary to repair the damaged property to its pre-loss condition, reduced by the applicable deductible; or
 - (iii) the **agreed value** for the **covered watercraft**.

INSURING AGREEMENT - WRECKAGE REMOVAL COVERAGE

If **you** pay the premium for Collision Coverage and Comprehensive Coverage, **we** will pay reasonable costs incurred by **you** for any attempted or actual raising, removal, towing, or destruction of the wreckage of a **covered watercraft** resulting from any sudden, direct and accidental loss for which Collision Coverage or Comprehensive Coverage is provided under this Part IV.

If **you** are legally required to raise, remove, tow, or destroy the wreckage, **our** limit of liability for costs incurred, when added to the amount payable under this Part IV for damage to the **covered watercraft**, shall not exceed the sum of:

1. the limit of liability for **property damage** coverage, if any, shown on the **declarations page** for such **covered watercraft**;
2. the **agreed value, purchase price**, or amount shown on the **declarations page** for that **covered watercraft**; and
3. five percent of the **agreed value, purchase price**, or amount shown on the **declarations page** for that **covered watercraft**.

If **you** are not legally required to raise, remove, tow, or destroy the wreckage, **our** limit of liability for costs incurred, when added to the amount payable under this Part IV for damage to the **covered watercraft**, shall not exceed the sum of:

1. the **agreed value, purchase price**, or amount shown on the **declarations page** for that **covered watercraft**; and
2. five percent of the **agreed value, purchase price**, or amount shown on the **declarations page** for that **covered watercraft**.

INSURING AGREEMENT - MEXICO COVERAGE

In addition to the territory specified in Part VIII - General Provisions, if **you** pay the premium for Collision Coverage and Comprehensive Coverage, coverage under this Part IV shall apply to any loss meeting the requirements for coverage under this Part IV that occurs within any state, territory, or possession of Mexico, including ocean waters within 75 nautical miles of its coast. Payment for any loss covered under this Part IV that occurs in Mexico will be made in the United States. If a **covered watercraft** must be repaired in Mexico in order to be returned to the United States, **we** will pay only for those repairs that must be performed in Mexico in order to return the **covered watercraft** to the United States and **we** will not pay more than the reasonable cost for such repairs usually charged at the nearest port of call in the United States where the repairs could have been made.

This Mexico Coverage does not apply if liability insurance from a licensed Mexican insurance company is not in force at the time of loss.

WARNING: WATERCRAFT ACCIDENTS IN MEXICO ARE SUBJECT TO THE LAWS OF MEXICO, NOT THE LAWS OF THE UNITED STATES. UNDER MEXICAN LAW, WATERCRAFT ACCIDENTS ARE CONSIDERED A CRIMINAL OF-

FENSE, AS WELL AS A CIVIL MATTER. **YOU** ARE REQUIRED TO PURCHASE LIABILITY INSURANCE THROUGH A LICENSED MEXICAN INSURANCE COMPANY. THE COVERAGE **WE** PROVIDE UNDER THIS POLICY DOES NOT MEET MEXICAN INSURANCE REQUIREMENTS.

INSURING AGREEMENT - WATERCRAFT EMERGENCY TOWING AND LABOR COVERAGE

If **you** pay the premium for this coverage, **we** will reimburse **you** for towing and labor costs, and the delivery costs for parts and supplies, that are incurred by **you** as a result of the disablement of a **covered watercraft** while afloat, provided that:

1. the labor is performed at the place of disablement; and
2. the disablement does not occur where the **covered watercraft** is usually kept.

We will not reimburse **you** for the cost of the parts and supplies themselves.

A deductible does not apply to this coverage.

Duplicate recovery for identical elements of damages is not permitted under this policy.

INSURING AGREEMENT - ROADSIDE ASSISTANCE COVERAGE

If Roadside Assistance Coverage is shown on the **declarations page**, **we** will pay for **our** authorized service representative to provide the following services when necessary due to a **covered emergency** while **your covered watercraft** is being towed by or carried by a land motor vehicle or being loaded or unloaded from its **trailer**:

1. towing of the motor vehicle and **covered watercraft** (including **trailer**) to the nearest qualified repair facility; and
2. labor on the motor vehicle and/or **trailer** at the place of disablement.

If the motor vehicle and **covered watercraft** (including **trailer**) are towed to any place other than the nearest qualified repair facility, **you** will be responsible for any additional charges incurred.

As used in this Roadside Assistance Coverage, "**covered emergency**" means a disablement of a motor vehicle or **trailer** that results from:

1. mechanical or electrical breakdown;
2. battery failure;
3. insufficient supply of fuel, oil, water, or other fluid;
4. a flat tire;
5. lock-out; or
6. entrapment in snow, mud or sand within 100 feet of a road or highway.

Roadside Assistance Coverage will not apply to:

1. the cost of purchasing parts, fluid, lubricants, fuel, or replacement keys, or the labor to make replacement keys;

2. installation of products and materials not related to the disablement;
3. labor not related to the disablement;
4. labor for any time period in excess of 60 minutes per disablement;
5. towing or storage related to impoundment, abandonment, illegal parking, or other violations of law;
6. assistance with jacks, levelers, airbags, or awnings;
7. damage or disablement due to fire, flood, or vandalism;
8. towing from a service station, garage, or repair shop;
9. labor or repair work performed at a service station, garage, or repair shop;
10. vehicle storage charges;
11. a second service call or tow for a single disablement;
12. disablement that occurs on roads not regularly maintained, sand beaches, open fields, or areas designated as not passable due to construction, weather, or earth movement;
13. mounting or removing of snow tires or chains;
14. tire repair;
15. repeated service calls for a motor vehicle or **trailer** in need of routine maintenance or repair;
16. disablement that results from an intentional or willful act or action by **you**, a **relative**, or the operator of the motor vehicle or **trailer**;
17. off-road vehicles which are not subject to motor vehicle registration and licensing; or
18. motor vehicles or trailers used for business or commercial purposes.

When service is rendered by a provider in the business of providing roadside assistance and towing services, other than one of **our** authorized service representatives, **we** will pay only reasonable charges, as determined by **us**, for:

1. towing of a motor vehicle and **covered watercraft** (including **trailer**) to the nearest qualified repair facility; and
2. labor on a motor vehicle and/or **trailer** at the place of disablement; which is necessary due to a **covered emergency**.

Any coverage provided under this Roadside Assistance Coverage for service rendered by an unauthorized service provider will be excess over any other collectible insurance or towing protection coverage.

INSURING AGREEMENT - DISAPPEARING DEDUCTIBLES

If **you** pay the premium for either Agreed Value Coverage or Total Loss Replacement/Purchase Price Coverage, the following is added to the Limits of Liability provision under this Part IV:

If, during any policy period, **you** do not have a loss under Comprehensive Coverage or Collision Coverage for which **we** have paid any amount, then:

1. any deductible for Comprehensive Coverage and Collision Coverage for a **watercraft** with Agreed Value Coverage or Total Loss Replacement/Purchase Price Coverage shall be reduced for the following policy period by 25 percent; and

2. no deductible for Comprehensive Coverage and Collision Coverage for a **watercraft** with Agreed Value Coverage or Total Loss Replacement/Purchase Price Coverage will apply for the fifth policy period and thereafter if **you** do not have any **watercraft** or **trailer** losses during the previous four consecutive policy periods.

If **you** have a loss at any time for which **we** make a payment under Comprehensive Coverage or Collision Coverage for any **watercraft** or **trailer**, then the most recent elected deductibles for Comprehensive Coverage and Collision Coverage will be restored for the subsequent policy period. Thereafter, the deductibles may again be reduced if the conditions set forth above are satisfied.

Reductions and increases in the deductible under this provision shall apply to all **covered watercraft** with Agreed Value Coverage or Total Loss Replacement/Purchase Price Coverage.

The provisions in this policy regarding Disappearing Deductibles will not apply to any deductible for loss to **marine electronics**.

PAYMENT OF LOSS

We may, at **our** option:

1. pay for the loss in money; or
2. repair or replace the damaged or stolen property.

At **our** expense, **we** may return any recovered stolen property to **you** or to the address shown on the **declarations page**, with payment for any damage resulting from the theft. **We** may keep all or part of the property at the agreed or appraised value.

We may settle any loss with **you** or the owner or lienholder of the property.

SALVAGE

If **we** pay the actual cash value of **your covered watercraft** less the deductible, or if **we** pay the amount necessary to replace **your covered watercraft** less the deductible, **we** are entitled to all salvage. If **your covered watercraft** is a total loss and **we** pay the applicable limit of liability shown on the **declarations page**, **we** are entitled to the same percent of salvage as **our** payment bears to the actual cash value of **your covered watercraft**.

NO BENEFIT TO BAILEE

Coverage under this Part IV will not directly or indirectly benefit any carrier or other bailee for hire.

LOSS PAYEE AGREEMENT

Payment under this Part IV for a total loss to a **covered watercraft** will be made according to **your** interest and the interest of any Loss Payee or lienholder shown on the **declarations page** or designated by **you**. Payment may be made to both jointly, or separately, at **our** discretion. **We** may make payment for a partial loss covered under this Part IV directly to the repair facility with **your** consent.

The Loss Payee or lienholder's interest will not be protected where fraud, misrepresentation, material omission, or intentional damage has been committed by or at the direction of **you** or a **relative**, or where the loss is otherwise not covered under the terms of this policy.

We will be entitled to the Loss Payee or lienholder's rights of recovery, to the extent of **our** payment to the Loss Payee or lienholder.

OTHER SOURCES OF RECOVERY

If other sources of recovery also cover the loss, **we** will pay only **our** share of the loss. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits. However, any insurance that **we** provide for a **watercraft**, other than a **covered watercraft**, will be excess over any other collectible source of recovery including, but not limited to:

1. any coverage provided by the owner of a watercraft other than a **covered watercraft**;
2. any other applicable physical damage insurance; and
3. any other source of recovery applicable to the loss.

APPRAISAL

If **we** cannot agree with **you** on the amount of a loss, then **we** and **you** may mutually agree to an appraisal of the loss. Within 30 days of any agreement to an appraisal, each party shall appoint a competent appraiser and shall notify the other party of that appraiser's identity. The appraisers will determine the amount of loss. If they fail to agree, the disagreement will be submitted to a qualified umpire chosen by the appraisers. If the two appraisers are unable to agree upon an umpire within 15 days, **we** or **you** may request that a judge of a court of record, in the county where **you** reside, select an umpire. The appraisers and umpire will determine the amount of loss. The amount of loss agreed to by both appraisers, or by one appraiser and the umpire, will determine the amount payable under this Part IV, but will not be binding. **You** will pay **your** appraiser's fees and expenses. **We** will pay **our** appraiser's fees and expenses. All other expenses of the appraisal, including payment of the umpire if one is selected, will be shared equally between **us** and **you**. Neither **you** nor **we** waive any rights under this policy by agreeing to an appraisal.

PART V - REPLACEMENT COST PERSONAL EFFECTS COVERAGE

INSURING AGREEMENT

If **you** pay the premium for this coverage, **we** will pay for sudden, direct and accidental loss to **personal effects** and **non-owned personal effects** while in or on a **covered watercraft**.

No coverage is provided for theft of **personal effects** or **non-owned personal effects** unless such items are stolen from a locked compartment or cabin, the theft is supported by evidence of forcible entry, and the **insured person**, or someone on his or her behalf, reports the theft to the United States Coast Guard, the police, or other civil authority within 24 hours or as soon as practicable after the loss.

ADDITIONAL DEFINITIONS

When used in this Part V:

1. **"Fishing equipment"** means any sport fishing gear and equipment that is used in the taking of fish for sport and recreation, or for personal consumption, including, but not limited to, rods, reels, lures, lines, and tackle boxes. **"Fishing equipment"** does not include **permanent equipment, portable boating equipment, or personal effects**.
2. **"Non-owned personal effects"** means clothing and other personal property, not owned by **you** or a **relative**, which is lawfully in the possession of **you** or a **relative**. **"Non-owned personal effects"** does not include:
 - a. money, traveler's checks, securities, evidence of debt, or valuable papers or documents;
 - b. jewelry, watches, gems, precious stones, silver, gold, or other precious metals;
 - c. antiques, fine arts, liquor or furs;
 - d. computer hardware and software;
 - e. any property used in **your** or a **relative's** business or employment;
 - f. animals (including birds and fish);
 - g. **fishing equipment;**
 - h. **permanent equipment;** or
 - i. **portable boating equipment.**
3. **"Personal effects"** means clothing and other personal property owned by **you** or a **relative**. **"Personal effects"** does not include:
 - a. money, traveler's checks, securities, evidence of debt, or valuable papers or documents;
 - b. jewelry, gems, precious stones, watches, silver, gold, or other precious metals;
 - c. antiques, fine arts, liquor or furs;
 - d. computer hardware and software;
 - e. any property used in **your** or a **relative's** business or employment;
 - f. animals (including birds and fish);
 - g. **fishing equipment;**
 - h. **permanent equipment;** or
 - i. **portable boating equipment.**

EXCLUSIONS - READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART V.

Coverage under this Part V does not apply to any loss to **personal effects** or **non-owned personal effects**:

1. while the **covered watercraft** is being used:
 - a. to carry persons or property for compensation or a fee;
 - b. for commercial or business purposes; or
 - c. in any illegal transportation or trade.Subparts a. and b. of this exclusion do not apply to use of a **covered watercraft** for tournament fishing;
2. caused by, or reasonably expected to result from, a criminal act or omission of **you**, a **relative**, or the owner of the **non-owned personal effects**. This exclusion applies regardless of whether **you**, the **relative**, or the owner of the **non-owned personal effects** is actually charged with, or convicted of, a crime. For purposes of this exclusion, criminal acts or omissions do not include violations of laws or regulations governing the operation of watercraft, provided such violations are not punishable by imprisonment or incarceration;
3. that occurs because the **covered watercraft** is not in **seaworthy** condition;
4. resulting from, or sustained during practice or preparation for:
 - a. any pre-arranged or organized racing, stunting, speed or demolition contest or activity; or
 - b. any driving, riding, navigation, piloting or boating activity conducted on a permanent or temporary racecourse.This exclusion does not apply to loss resulting from the use of a sailboat in any pre-arranged or organized racing or speed contest, or in practice or preparation for any such contest;
5. due to a nuclear reaction or radiation;
6. for which insurance:
 - a. is afforded under a nuclear energy liability insurance contract; or
 - b. would be afforded under a nuclear energy liability insurance contract but for its termination upon exhaustion of its limit of liability;
7. due to destruction or confiscation by governmental or civil authorities because **you** or any **relative** engaged in illegal activities;
8. caused by an intentional act committed by or at the direction of **you**, a **relative**, or the owner of the **non-owned personal effects**, even if the actual damage is different than that which was intended or expected;
9. caused directly or indirectly by:
 - a. wear and tear;
 - b. gradual deterioration of any kind including, but not limited to, weathering, rust, corrosion, mold, wet or dry rot, osmosis or blistering;
 - c. dock rash or other gradual marring or scratching;
 - d. mechanical, electrical, or structural breakdown, except for subsequent loss by fire or explosion; or
 - e. any design, manufacturing or latent defect;

- of any watercraft or trailer. This exclusion does not apply:
- a. if the damage results from the theft of a **covered watercraft**; or
 - b. to loss caused by mold or mildew if such loss is caused by any other loss covered under this Part V;
10. caused directly or indirectly by:
- a. insects, birds or other animals, including rodents and other types of vermin, unless the **covered watercraft** where the **personal effects** or **non-owned personal effects** were located at the time of the loss was secured with a fitted cover at the time of the loss;
 - b. marine life; or
 - c. smog, humidity, mildew, mold, freezing, thawing, or extremes of temperature.
- This exclusion does not apply to loss:
- a. resulting from impact with an animal; or
 - b. caused by mold or mildew if such loss is caused by any other loss covered under this Part V;
11. due to theft or conversion of such **personal effects** or **non-owned personal effects**:
- a. by **you**, a **relative**, or any resident of **your** household; or
 - b. prior to their delivery to **you** or a **relative**;
12. for diminution of value;
13. while the **personal effects** or **non-owned personal effects**, or the **covered watercraft** which they are in or on, are leased or rented to others or given in exchange for any compensation. This exclusion does not apply when **you** or a **relative** are using the **personal effects**, **non-owned personal effects**, or the **covered watercraft** which the **personal effects** or **non-owned personal effects** are in or on;
14. caused directly or indirectly by:
- a. war (declared or undeclared) or civil war;
 - b. warlike action by any military force of any government, sovereign or other authority using military personnel or agents. This includes any action taken to hinder or defend against an actual or expected attack; or
 - c. insurrection, rebellion, revolution, usurped power, or any action taken by a governmental authority to hinder or defend against any of these acts;
15. caused directly or indirectly by:
- a. any accidental or intentional discharge, dispersal or release of radioactive, nuclear, pathogenic, or poisonous material; or
 - b. any intentional discharge, dispersal or release of chemical or hazardous material for any purpose other than its safe and useful purpose; or
16. arising out of an accident while using a watercraft as a primary or permanent residence.

LIMITS OF LIABILITY

1. The limit of liability for loss to **personal effects** and **non-owned personal effects** will be the lowest of:
 - a. the amount necessary to replace the stolen or damaged property, reduced by any applicable deductible;
 - b. the amount necessary to repair the damaged property to its pre-loss condition, reduced by any applicable deductible;

- c. any applicable limit set forth in subsection 2 or 3 below; or
- d. the amount shown on the **declarations page** for Replacement Cost Personal Effects Coverage.

The limit of liability for loss to part of a pair or set, series of objects, pieces or panels is the lowest of:

- a. the cost to repair or replace the part that restores the set to its value before the loss;
- b. the difference between the actual cash value of the set before the loss and after the loss; or
- c. the cost of a substitute part that reasonably matches the rest of the set.

We have no obligation to replace the entire set if only a portion is lost or damaged.

- 2. The limit for the combined loss to all **non-owned personal effects** in any one loss is the aggregate of \$500.
- 3. The limit for loss to any one item of **personal effects** in any one loss is \$1,000.
- 4. Payments for loss covered under this Part V are subject to the following provisions:
 - a. a deductible of \$250 shall apply to each loss to **personal effects** or **non-owned personal effects**;
 - b. no more than one deductible shall be applied to any one covered loss;
 - c. in determining the amount necessary to repair damaged property to its pre-loss condition, the amount to be paid by **us**:
 - i. will not exceed the prevailing competitive labor rates charged in the area where the property is to be repaired, and the cost of repair or replacement parts and equipment, as reasonably determined by **us**; and
 - ii. will be based on the cost of repair or replacement parts and equipment which may be new, reconditioned, remanufactured, or used, including, but not limited to:
 - (a) original manufacturer parts or equipment; and
 - (b) nonoriginal manufacturer parts or equipment; and
 - d. duplicate recovery under this policy for the same elements of loss is not permitted.

PAYMENT OF LOSS

We may, at **our** option:

- 1. pay for the loss in money; or
- 2. repair or replace the damaged or stolen property.

At **our** expense, **we** may return any recovered stolen property to **you** or to the address shown on the **declarations page**, with payment for any damage resulting from the theft. **We** may keep all or part of the property at the agreed or appraised value.

We may settle any loss with **you** or the owner or lienholder of the property.

NO BENEFIT TO BAILEE

Coverage under this Part V will not directly or indirectly benefit any carrier or other bailee for hire.

OTHER SOURCES OF RECOVERY

The insurance that **we** provide under this Part V for **personal effects** is primary. However, any insurance that **we** provide for a loss to **non-owned personal effects** shall apply as excess coverage over any other collectible source of recovery including, but not limited to, any coverage provided by homeowners, renters, or tenants insurance.

APPRAISAL

If **we** cannot agree with **you** on the amount of a loss, then **we** and **you** may mutually agree to an appraisal of the loss. Within 30 days of any agreement to an appraisal, each party shall appoint a competent appraiser and shall notify the other party of that appraiser's identity. The appraisers will determine the amount of loss. If they fail to agree, the disagreement will be submitted to a qualified umpire chosen by the appraisers. If the two appraisers are unable to agree upon an umpire within 15 days, **we** or **you** may request that a judge of a court of record, in the county where **you** reside, select an umpire. The appraisers and umpire will determine the amount of loss. The amount of loss agreed to by both appraisers, or by one appraiser and the umpire, will determine the amount payable under this Part V, but will not be binding. **You** will pay **your** appraiser's fees and expenses. **We** will pay **our** appraiser's fees and expenses. All other expenses of the appraisal, including payment of the umpire if one is selected, will be shared equally between **us** and **you**. Neither **we** nor **you** waive any rights under this policy by agreeing to an appraisal.

PART VI - FISHING EQUIPMENT COVERAGE

INSURING AGREEMENT

If **you** pay the premium for this coverage, **we** will pay for sudden, direct and accidental loss to **fishing equipment**.

No coverage is provided for theft of **fishing equipment** from any location other than a **watercraft** unless such equipment is stolen from a locked compartment, a locked vehicle or **your** locked residence, the theft is supported by visible evidence of forcible entry, and the **insured person**, or someone on his or her behalf, reports the theft to the United States Coast Guard, the police, or other civil authority within 24 hours or as soon as practicable after the loss.

ADDITIONAL DEFINITIONS

When used in this Part VI:

1. "**Fishing equipment**" means any sport fishing gear and equipment owned by **you** or a **relative** that is used in the legal taking of fish for sport and recreation, or for personal consumption, including, but not limited to, rods, reels, lures, lines, and tackle boxes. "**Fishing equipment**" does not include **permanent equipment**, **portable boating equipment**, or **personal effects**.

2. **“Personal effects”** means clothing and other personal property owned by **you** or a **relative**. **“Personal effects”** does not include:
 - a. money, traveler’s checks, securities, evidence of debt, or valuable papers or documents;
 - b. jewelry, gems, precious stones, watches, silver, gold, or other precious metals;
 - c. antiques, fine arts, liquor or furs;
 - d. computer hardware and software;
 - e. any property used in **your** or a **relative’s** business or employment;
 - f. animals (including birds and fish);
 - g. **fishing equipment**;
 - h. **permanent equipment**; or
 - i. **portable boating equipment**.

EXCLUSIONS - READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART VI.

Coverage under this Part VI does not apply to any loss to **fishing equipment**:

1. while the **covered watercraft** is being used:
 - a. to carry persons or property for compensation or a fee;
 - b. for commercial or business purposes; or
 - c. in any illegal transportation or trade.Subparts a. and b. of this exclusion do not apply to use of a **covered watercraft** for tournament fishing;
2. caused by, or reasonably expected to result from, a criminal act or omission of **you** or a **relative**. This exclusion applies regardless of whether **you** or the **relative** is actually charged with, or convicted of, a crime. For purposes of this exclusion, criminal acts or omissions do not include violations of laws or regulations governing the operation of watercraft, provided such violations are not punishable by imprisonment or incarceration;
3. that occurs because the **covered watercraft** is not in **seaworthy** condition;
4. resulting from, or sustained during practice or preparation for:
 - a. any pre-arranged or organized racing, stunting, speed or demolition contest or activity; or
 - b. any driving, riding, navigation, piloting or boating activity conducted on a permanent or temporary racecourse.This exclusion does not apply to loss resulting from the use of a sailboat in any pre-arranged or organized racing or speed contest, or in practice or preparation for any such contest;
5. due to a nuclear reaction or radiation;
6. for which insurance:
 - a. is afforded under a nuclear energy liability insurance contract; or
 - b. would be afforded under a nuclear energy liability insurance contract but for its termination upon exhaustion of its limit of liability;
7. due to destruction or confiscation by governmental or civil authorities because **you** or any **relative** engaged in illegal activities;

8. caused by an intentional act committed by or at the direction of **you** or a **relative**, even if the actual damage is different than that which was intended or expected;
9. caused directly or indirectly by:
 - a. wear and tear;
 - b. gradual deterioration of any kind including, but not limited to, weathering, rust, corrosion, mold, wet or dry rot, osmosis, delamination or blistering;
 - c. dock rash or other gradual marring or scratching;
 - d. mechanical, electrical, or structural breakdown, except for subsequent loss by fire or explosion; or
 - e. any design, manufacturing or latent defect;
 of any watercraft or trailer. This exclusion does not apply:
 - a. if the loss results from the theft of a **covered watercraft**; or
 - b. to loss caused by mold or mildew if such loss is caused by any other loss covered under this Part VI;
10. caused directly or indirectly by:
 - a. insects, birds or other animals, including rodents and other types of vermin, unless the **covered watercraft** in or on which the **fishing equipment** was located at the time of the loss was secured with a fitted cover at the time of the loss;
 - b. marine life; or
 - c. smog, humidity, mildew, mold, freezing, thawing, or extremes of temperature.
 This exclusion does not apply to loss:
 - a. resulting from impact with an animal; or
 - b. caused by mold or mildew if such loss is caused by any other loss covered under this Part VI;
11. due to theft or conversion of such **fishing equipment**:
 - a. by **you**, a **relative**, or any resident of **your** household; or
 - b. prior to its delivery to **you** or a **relative**;
12. for diminution of value;
13. while the **fishing equipment** or the **covered watercraft** which the **fishing equipment** is in or on is leased or rented to others or given in exchange for any compensation. This exclusion does not apply to **your** or a **relative's** use of the **fishing equipment** or the **covered watercraft** which the **fishing equipment** is in or on;
14. caused directly or indirectly by:
 - a. war (declared or undeclared) or civil war;
 - b. warlike action by any military force of any government, sovereign or other authority using military personnel or agents. This includes any action taken to hinder or defend against an actual or expected attack; or
 - c. insurrection, rebellion, revolution, usurped power, or any action taken by a governmental authority to hinder or defend against any of these acts;
15. caused directly or indirectly by:
 - a. any accidental or intentional discharge, dispersal or release of radioactive, nuclear, pathogenic, or poisonous material; or
 - b. any intentional discharge, dispersal or release of chemical or hazardous material for any purpose other than its safe and useful purpose; or
16. arising out of an accident while using a **watercraft** as a primary or permanent residence.

LIMITS OF LIABILITY

1. **Our** limit of liability under this Part VI for loss to **fishing equipment** will be the lowest of:
 - a. the amount necessary to replace the stolen or damaged property, reduced by the applicable deductible;
 - b. the amount necessary to repair the damaged property to its pre-loss condition, reduced by the applicable deductible; or
 - c. the amount shown on the **declarations page** for Fishing Equipment Coverage. However, the most **we** will pay for loss or damage to any one item of **fishing equipment** is \$1,000. A tackle box or any other container used to store lures, hooks, and baits is considered one item regardless of the number of lures, hooks, baits and other items stored in the container. A rod and reel are considered two separate items.
2. Payments for loss covered under Fishing Equipment Coverage are subject to the following provisions:
 - a. a deductible of \$250 shall apply to each loss to **fishing equipment**;
 - b. no more than one deductible shall be applied to any one covered loss;
 - c. in determining the amount necessary to repair damaged property to its pre-loss condition, the amount to be paid by **us**:
 - i. shall not exceed the prevailing competitive labor rates charged in the area where the property is to be repaired, and the cost of repair or replacement parts and equipment, as reasonably determined by **us**; and
 - ii. will be based on the cost of repair or replacement parts and equipment which may be new, reconditioned, remanufactured, or used, including, but not limited to:
 - (a) original manufacturer parts or equipment; and
 - (b) nonoriginal manufacturer parts or equipment; and
 - d. duplicate recovery under this policy for the same elements of loss is not permitted.

PAYMENT OF LOSS

We may, at **our** option:

1. pay for the loss in money; or
2. repair or replace the damaged or stolen property.

At **our** expense, **we** may return any recovered stolen property to **you** or to the address shown on the **declarations page**, with payment for any damage resulting from the theft. **We** may keep all or part of the property at the agreed or appraised value.

We may settle any loss with **you** or the owner or lienholder of the property.

NO BENEFIT TO BAILEE

Coverage under this Part VI will not directly or indirectly benefit any carrier or other bailee for hire.

OTHER SOURCES OF RECOVERY

The insurance that **we** provide under this Part VI for **fishing equipment** is primary.

APPRAISAL

If **we** cannot agree with **you** on the amount of a loss, then **we** and **you** may mutually agree to an appraisal of the loss. Within 30 days of any agreement to an appraisal, each party shall appoint a competent appraiser and shall notify the other party of that appraiser's identity. The appraisers will determine the amount of loss. If they fail to agree, the disagreement will be submitted to a qualified umpire chosen by the appraisers. If the two appraisers are unable to agree upon an umpire within 15 days, **we** or **you** may request that a judge of a court of record, in the county where **you** reside, select an umpire. The appraisers and umpire will determine the amount of loss. The amount of loss agreed to by both appraisers, or by one appraiser and the umpire, will determine the amount payable under this Part VI, but will not be binding. **You** will pay **your** appraiser's fees and expenses. **We** will pay **our** appraiser's fees and expenses. All other expenses of the appraisal, including payment of the umpire if one is selected, will be shared equally between **us** and **you**. Neither **we** nor **you** waive any rights under this policy by agreeing to an appraisal.

PART VII - DUTIES IN CASE OF AN ACCIDENT OR LOSS

For coverage to apply under this policy, **you** or the person seeking coverage must promptly report each accident or loss even if **you** or the person seeking coverage is not at fault. **You** or the person seeking coverage must provide **us** with all accident or loss information including time, place, and how the accident or loss happened. **You** or the person seeking coverage must also obtain and provide **us** the names and addresses of all persons involved in the accident or loss, the names and addresses of any witnesses, and the manufacturer's or state-assigned hull identification number of the watercraft involved.

If **you** or the person seeking coverage cannot identify the owner or operator of a watercraft involved in the accident, or if theft or vandalism has occurred, **you** or the person seeking coverage must notify the police, United States Coast Guard, or other civil authority, in accordance with applicable laws and regulations, within 24 hours or as soon as practicable.

A person seeking coverage must:

1. cooperate with **us** in any matter concerning a claim or lawsuit;
2. provide any written proof of loss **we** may reasonably require;
3. allow **us** to take signed and recorded statements, including sworn statements and examinations under oath, which **we** may conduct outside the presence of **you** or any other person seeking coverage and answer all reasonable questions **we** may ask as often as **we** may reasonably require;
4. promptly call to notify **us** about any claim or lawsuit and send **us** any and all legal papers relating to the claim or suit;

5. attend hearings and trials as **we** require;
6. take reasonable steps after a loss to protect the **covered watercraft**, or any other watercraft or trailer for which coverage is sought, from further loss. **We** will pay reasonable expenses incurred in providing that protection. If failure to provide such protection results in further loss, any additional damages will not be covered under this policy;
7. allow **us** to have the damaged **covered watercraft**, or any other damaged watercraft or trailer for which coverage is sought, inspected and appraised before its repair or disposal;
8. submit to medical examinations at **our** expense by doctors **we** select as often as **we** may reasonably require; and
9. authorize **us** to obtain medical and other records.

PART VIII - GENERAL PROVISIONS

POLICY PERIOD AND TERRITORY

This policy applies only to accidents and losses occurring during the policy period shown on the **declarations page** and which occur within:

1. a state, territory, or possession of the United States of America, or a province or territory of Canada, including their in-land lakes, rivers, and navigable waterways;
2. the Great Lakes; or
3. ocean waters 75 nautical miles or less from the coast of either the United States or Canada, but not including the territory or territorial waters of any country other than the United States or Canada.

CHANGES

This policy contract, **your** insurance application (which is made a part of this policy as if attached hereto), the **declarations page**, and all endorsements to this policy issued by **us** contain all the agreements between **you** and **us**. Subject to the following, its terms may not be changed or waived except by an endorsement issued by **us**.

The premium for this policy is based on information **we** received from **you** and other sources. **You** agree to cooperate with **us** in determining if this information is correct and complete, and to notify **us** if it changes during the policy period. If this information is incorrect, incomplete, or changes during the policy period, **you** agree that **we** may adjust **your** premium accordingly.

Changes that may result in a premium adjustment are contained in **our** rates and rules. These include, but are not limited to, changes in:

1. the number or type of **covered watercraft**;
2. operators using **covered watercraft**;
3. marital status of any operator;
4. coverage, deductibles, or limits of liability; or
5. rating territory or discount eligibility.

The coverage provided in **your** policy may be changed only by the issuance of a new policy or an endorsement by **us**. However, if during the policy period **we** broaden any coverage afforded under the current edition of **your** policy without additional premium charge, that change will automatically apply to **your** policy as of the date the coverage change is implemented in **your** state.

If **you** ask **us** to delete a watercraft from this policy, no coverage will apply to that watercraft as of the date and time **you** ask **us** to delete it.

DUTY TO REPORT CHANGES

You must promptly notify **us** when:

1. **your** mailing or residence address changes;
2. there is a change with respect to the residents in **your** household or the persons who regularly operate a **covered watercraft**; or
3. an operator's marital status changes.

SETTLEMENT OF CLAIMS

We may use estimating, appraisal, or injury evaluation systems to assist **us** in adjusting claims under this policy and to assist **us** in determining the amount of damages, expenses, or loss payable under this policy. Such systems may be developed by **us** or a third party and may include computer software, databases, and specialized technology.

TERMS OF POLICY CONFORMED TO STATUTES

If any provision of this policy fails to conform with the statutes of the state listed on **your** application as **your** principal place of garaging, docking or mooring **your covered watercraft**, the provision shall be deemed amended to conform to such statutes. All other provisions shall be given full force and effect. Any disputes as to the coverages provided or the provisions of this policy shall be governed by the law of the state listed on **your** application as **your** principal place of garaging, docking or mooring **your covered watercraft**.

TRANSFER OF INTEREST

The rights and duties under this policy may not be transferred to another person without **our** written consent. However, if a named insured shown on the **declarations page** dies, this policy will provide coverage until the end of the policy period for the legal representative of the named insured, while acting as such, and for persons covered under this policy on the date of the named insured's death.

YOUR WARRANTIES TO US REGARDING YOUR COVERED WATERCRAFT

You warrant and represent to **us** that, at the inception of this policy, **your covered watercraft** is in **seaworthy** condition and that it complies with all published federal safety standards and provisions. Violation of this warranty will void this policy from its inception.

You further warrant and represent to **us** that **you** will continue to maintain **your covered watercraft** in **seaworthy** condition and to comply with all federal safety standards and provisions. This policy does not cover any loss or damages caused by **your** failure to:

- a. exercise due diligence to properly manage **your covered watercraft**;
- b. maintain **your covered watercraft** in **seaworthy** condition;
- c. comply with all federal safety standards and provisions; or
- d. follow all customary and manufacturer-recommended maintenance guidelines.

FRAUD OR MISREPRESENTATION

This policy was issued in reliance upon the information provided on **your** insurance application. **We** may void this policy at any time, including after the occurrence of an accident or loss, if **you**:

1. made incorrect statements or representations to **us** with regard to any material fact or circumstance;
2. concealed or misrepresented any material fact or circumstance; or
3. engaged in fraudulent conduct;

at the time of application. This means that **we** will not be liable for any claims or damages that would otherwise be covered. If **we** void this policy, this shall not affect coverage under Part I - Liability To Others for an accident that occurs before **we** notify the named insured that the policy is void. No payment will be made to any person who concealed or misrepresented any material fact or circumstance or engaged in fraudulent conduct. If **we** void this policy, **you** must reimburse **us** if **we** make a payment.

We may deny coverage for an accident or loss if **you** or a person seeking coverage has knowingly concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, in connection with the presentation or settlement of a claim.

PAYMENT OF PREMIUM AND FEES

If **your** initial premium payment is by check, draft, electronic funds transfer, or similar form of remittance, coverage under this policy is conditioned on payment to **us** by the financial institution. If the financial institution upon presentment does not honor the check, draft, electronic funds transfer, or similar form of remittance, this policy may, at **our** option, be deemed void from its inception. This means **we** will not be liable under this policy for any claims or damages that would otherwise be covered if the check, draft, electronic funds transfer, or similar form of remittance had been honored by the financial institution. Any action by **us** to present the remittance for payment more than once shall not affect **our** right to void this policy.

In addition to premium, fees may be charged on **your** policy. **We** may charge fees for installment payments, late payments, and other transactions. Payments made on **your** policy will be applied first to fees, then to premium due.

CANCELLATION

You may cancel this policy during the policy period by calling or writing **us** and stating the future date that **you** wish the cancellation to be effective.

We may cancel this policy during the policy period by mailing a notice of cancellation to the named insured shown on the **declarations page** and to any lienholders or loss payees shown on the **declarations page** at their last known address appearing in **our** records.

We will give at least 10 days notice of cancellation if this policy is cancelled for nonpayment of premium.

We will give at least 20 days notice of cancellation in all other cases.

We may cancel this policy for any reason if the notice is mailed within the first 60 days of the initial policy period.

After this policy is in effect for more than 60 days, or if this is a renewal or continuation policy, **we** may cancel only for one or more of the following reasons:

1. nonpayment of premium;
2. fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining the policy, continuing the policy, or in presenting a claim under the policy;
3. the occurrence of a material change in the risk which substantially increases any hazard insured against after policy issuance;
4. violation of any local fire, health, safety, building, or construction regulation or ordinances with respect to any insured property or the occupancy of the property which substantially increases any hazard insured against under the policy;
5. nonpayment of membership dues in those cases where the bylaws, agreements, or other legal instruments of the insurer issuing the policy require payment as a condition of the issuance and maintenance of the policy;
6. a material violation of a material provision of the policy; or
7. any other reason permitted by law.

Proof of mailing will be sufficient proof of notice. If this policy is cancelled, coverage will not be provided as of the effective date and time shown in the notice of cancellation. For purposes of cancellation, this policy is neither severable nor divisible. Any cancellation will be effective for all coverages for all persons and all watercraft and trailers.

CANCELLATION REFUND

Upon cancellation, **you** may be entitled to a premium refund. However, **our** making or offering of a refund is not a condition of cancellation.

If this policy is cancelled, any refund due will be computed on a daily pro-rata basis. However, **we** will retain a cancellation fee if this policy is cancelled at **your** request or if cancellation is for nonpayment of premium. A cancellation fee will be charged only during the initial policy period.

NONRENEWAL

If neither **we** nor one of **our** affiliates offers to renew or continue this policy, other than for nonpayment of premium, **we** will mail notice of nonrenewal to the named insured shown on the **declarations page** at the last known address appearing in **our** records. Proof of mailing will be sufficient proof of notice. Notice will be mailed at least 30 days before the end of the policy period.

AUTOMATIC TERMINATION

If **we** or an affiliate offers to renew or continue this policy and **you** or **your** representative does not accept, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due will mean that **you** have not accepted **our** offer.

If **you** obtain other insurance on a **covered watercraft**, any similar insurance provided by this policy will terminate as to that **covered watercraft** on the effective date of the other insurance.

If a **covered watercraft** is sold or transferred to someone other than **you** or a **relative**, any insurance provided by this policy will terminate as to that **covered watercraft** on the effective date of the sale or transfer.

LEGAL ACTION AGAINST US

We may not be sued unless there is full compliance with all the terms of this policy.

We may not be sued for payment under Part I - Liability To Others until the obligation of an insured person under Part I to pay is finally determined either by judgment after trial against that person or by written agreement of the **insured person**, the claimant, and **us**. No one will have any right to make **us** a party to a lawsuit to determine the liability of an **insured person**.

If **we** retain salvage, **we** have no duty to preserve or otherwise retain the salvage for any purpose, including evidence for any civil or criminal proceeding.

OUR RIGHTS TO RECOVER PAYMENT

We are entitled to all the rights of recovery that the insured person to whom payment was made has against another after the insured person has been fully compensated for his or her loss, to the extent of **our** payment. That insured person may be required to sign documents related to the recovery and must do whatever else is necessary to help **us** exercise those rights, and do nothing after an accident or loss to prejudice those rights.

When an insured person has been paid by **us** and also recovers from another, the amount recovered will be held by the insured person in trust for **us** and reimbursed to

us to the extent of **our** payment. If **we** are not reimbursed, **we** may pursue recovery of that amount directly against that insured person. If an insured person recovers from another without **our** written consent, the insured person's right to payment under any affected coverage will no longer exist.

If **we** elect to exercise **our** rights of recovery against another, **we** will also attempt to recover any deductible incurred by an insured person under this policy unless **we** are specifically instructed by that person not to pursue the deductible. **We** have no obligation to pursue recovery against another for any loss not covered by this policy.

We reserve the right to compromise or settle the deductible and property damage claims against the responsible parties for less than the full amount. **We** also reserve the right to incur reasonable expenses and attorney fees in pursuit of the recovery.

If the total recovery is less than the total of **our** payment and the deductible, **we** will reduce reimbursement of the deductible based on the proportion that the actual recovery bears to the total of **our** payment and the deductible. A proportionate share of collection expenses and attorney fees incurred in connection with these recovery efforts will also reduce reimbursement of the deductible.

These provisions will be applied in accordance with state law.

OUR RIGHTS TO INSPECT

We, and any rating, advisory, rate service, or similar organization that makes insurance inspections, surveys, reports or recommendations on **our** behalf, have the right to:

1. make inspections and surveys after providing **you** with reasonable notice;
2. provide **you** reports related to any conditions that **we** identify with respect to a **covered watercraft** or any property; and
3. recommend changes with respect to any identified conditions.

This does not mean that **we** or any entity acting on **our** behalf:

1. make safety inspections;
2. undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public;
3. warrant or represent that conditions are safe or healthful;
4. warrant or represent that conditions comply with laws, regulations, codes or standards; or
5. warrant or represent that a **covered watercraft** is in **seaworthy** condition.

JOINT AND INDIVIDUAL INTERESTS

If there is more than one named insured on this policy, any named insured may cancel or change this policy. The action of one named insured will be binding on all persons provided coverage under this policy.

BANKRUPTCY

The bankruptcy or insolvency of an insured person will not relieve **us** of any obligations under this policy. If execution of a judgment against an **insured person** under Part I - Liability To Others is returned unsatisfied because of the bankruptcy or insolvency of the **insured person**, the person claiming payment for damages under Part I may maintain an action against **us** for the amount of the judgment not exceeding **our** limits of liability.

PROGRESSIVE[®]



2747 AR 0608





DRAMA SPECIFIC LOGO

Application for Insurance

(Programming note: The heading below will not print for customers who e-sign.)

Please review, sign where indicated and return

(Programming note: The heading below will print for customers who e-sign.)

Please review and sign where indicated

(Programming note: For customers who e-sign, "Policy number, <XXXXXXXX-X> will print if available.)

(Programming note: The heading and policy number below prints on all sold applications.)

Policy number: <XXXXXXXX-X>

(Programming note: Heading will be 'Named insured' if additional Named insured is not selected.)

Named insureds: <XXXXX XXXXXXXXXXXXXXXX>
< XXX XXXXXXXXXXXXXXXX>

<MMM DD, YYYY>

Page <X of X> (Programming note: "Page <X of X>" will not print for e-sign.)

(Programming note: For customers who sign the app electronically, "for policy number <XXXXXXXX-X>" will print if available.)

(Programming note: The heading below prints on all sold applications.)

Policy and premium information for policy number <XXXXXXXX-X>

(Programming note: The heading below prints on all unsold applications.)

Policy and premium information

(Programming note: The name of the actual insuring entity will print below.)

Insurance company: <XXXXXXXXXXXX XXXX XXXXXXXXXXX XXXXXXX>
<XXXXX XXXXX>
<XXXXX, XX XXXXX>

(Programming note: Agent name will print if provided. If Agent name is not provided, only the Agency name will print.)

(Programming note: The section below will not print for Direct.)

Agent: <XXX XXXXX>
<XXXXX XXXXXXXXXXX XXXXXXX>
<XXXX XXXXX XX>
<XXXXXXXXXX, XX XXXXX>
<XXXXXX>
<XXX-XXX-XXXX>

(Programming note: Heading will be 'Named insured' if additional Named insured is not selected.)

Named insureds: <XXXXXXXXXX XXXXXXXXXXXXXXXXXXXX>
<XXXXXXXXXX XXXXXXXXXXXXXXXXXXXX>
<XXX XXXX>
<XXXX, XX XXXXX>

(Programming note: The e-mail address, home telephone and work telephone headings will print even if no information is provided.)

e-mail address: <creditdemo@aol.com>

Home: <XXX-XXX-XXXX>

Work: <XXX-XXX-XXXX>

(Programming note: The field below will print when credit has been pulled. The name and phone number of the vendor will print.)

Financial responsibility vendor: <XXXXXXXXXXXXXXXXXX>
<XXX-XXX-XXXX>

(Program note: The Policy period will print on all sold applications.)

Policy period: <MMM DD, YYYY – MMM DD, YYYY>

(Programming note: The date and time below will print on all sold applications.)

Effective date and time: <MMM DD, YYYY at XX:XX a.m.>

(Programming note: The sentence below will print on all unsold applications for Agent).

Your policy will be effective when your required initial payment is received by your agent or at a later date of your choice.

(Programming note: This icon will not print on any page for customers who e-sign.)²

(Programming note: For customers who e-sign, "Policy number, <XXXXXXXX-X>" will print if available.)
 Policy number: <XXXXXXXX-X>
 <XXXXX XXXXXXXXXXXXXXXXX>
 < XXX XXXXXXXXXXXXXXXXX>
 Page <X of X>

(Programming note: "Page <X of X>" will not print for e-sign.)
 (Programming note: The sentence below will print on all unsold applications for Direct.)
 Your policy will be effective when your required initial payment is received or at a later date of your choice.

.....
 Total policy premium: <\$x,xxx>

.....
 Initial payment required: <\$x,xxx>

.....
 (Programming note: Initial payment received prints for sold applications).

Initial payment received: <\$x,xxx>

.....
 Payment plan: <xxxxx> (Programming note: The selected payment plan will print here)

Drivers and household residents

All household residents who operate the watercraft described in the application, all operators that have an ownership interest in any of these watercraft and any other regular operator of these watercraft are listed below. Only operators that are 18 years or older need to be listed.

| Name | Date of birth | Sex | Marital status |
|-------------------------------------|----------------|--------|----------------|
| <XXXX XXXXXXXXXXXXXXXXX> | <MMM DD, YYYY> | <XXXX> | <XXXXXX> |
| Relationship | | | <XXXXXX> |
| License status: <XXXXXXXX> | | | |
| Principal watercraft: 2002 Bass BT1 | | | |

(Programming note: The section below prints the coverages selected by the insured.)

Outline of coverage

(Programming note: The message below regarding policy limits needs to print directly underneath the "Outline of coverage" heading when there is more than one vehicle on the policy.)

Your insurance policy and any policy endorsements contain a full explanation of your coverage. The policy limits shown for a watercraft may not be combined with the limits for the same coverage on another watercraft.

(Programming note: Coverage order will match the state specific dec page coverage order, and may not always match the model order of coverages.)

| General policy coverage | Limits | Deductible | Premium |
|-------------------------|--------|------------|---------|
|-------------------------|--------|------------|---------|

(Programming note: For customers who e-sign, "Policy number, <XXXXXXXX-X>" will print if available.)

Policy number: <XXXXXXXX-X>
 <XXXXX XXXXXXXXXXXXXXXXX>
 <XXX XXXXXXXXXXXXXXXXX>
 Page <X of X>

(Programming note: "Page <X of X>" will not print for e-sign.)

Fishing Equipment <\$x,xxx> <\$xxx> <\$xx>

Total premium for general policy coverage
 <\$xx>

(Programming note: Length, Total horsepower, Hull material, Outboard and Registration number headings will only print if information is provided.)

(Programming note: For release 3 states only, the "Make" field for Outboard #1, Outboard #2 and Trailer information will print up to five characters in all caps if the Make name is not found in the picklist. If the five digit characters of the Make name is on the picklist, the full description will print using the upper/lower case format with 10 character maximum.)

2002 Bass BT1

| | | |
|------------------------------------|-------------------------------------|------------------------|
| Hull ID #: <1111111111111111> | Registration number: <111111111111> | |
| Length: <11> | Hull material: <XXXXXXXXXXXXXX> | |
| Garaging/Mooring Zip Code: <11111> | State: <xx> | Use: <XXXXXXXXXXXXXX> |
| Propulsion type: <XXXXXXXXXX> | Number of motors: | Total horsepower: <11> |
| Outboard #1 Year: <1111> | Make: <XXXXX> | Horsepower: <111> |
| Outboard #2 Year: <1111> | Make: <XXXXX> | Horsepower: <111> |

Note: The section below will only print if there is a trailer listed on the policy.

Trailer information Year: <1111> Make: <XXXXX>

| | Limits | Deductible | Premium |
|--|--|------------|-----------|
| (Programming note: "Includes Fuel Spill Liability" text is hard coded by quoting platforms.) | | | |
| Liability To Others | | | <\$x,xxx> |
| Bodily Injury Liability | <\$xxx,xxx> each person<\$xxx,xxx> each accident | | |
| Property Damage Liability | <\$xx,xxx> each accident | | |
| Includes Fuel Spill Liability | | | |
| Uninsured Boater | <\$xxx,xxx> each person<\$xxx,xxx> each accident | | <xxx> |
| Medical Payments | <\$x,xxx> each person | | <xxx> |

(Programming note: Descriptors are variable based on coverage settlement option selected. <\$xxx,xxx> = the rating base dollar value listed for the watercraft.)

| | | | |
|---------------|--|---------|-------|
| Comprehensive | The Lesser Of Actual Cash Value at time of loss Less Deductible or <\$xxx,xxx> | <\$xxx> | <xxx> |
|---------------|--|---------|-------|

(Programming note: Descriptors are variable based on coverage settlement option selected. <\$xxx,xxx> = the rating base dollar value listed for the watercraft.)

| | | | |
|-----------|--|---------|-------|
| Collision | The Lesser Of Actual Cash Value at time of loss Less Deductible or <\$xxx,xxx> | <\$xxx> | <xxx> |
|-----------|--|---------|-------|

(Programming note: This section is hard coded by the quoting platforms. Refer to the below notes for when to display hard coded text.)

(Programming note: Display Disappearing Deductible when TLR/PP or Agreed Value settlement option is selected. Always show Wreckage Removal and Marine Electronics when Comprehensive and Collision Coverage is selected.)

Included with Comprehensive and Collision:

| | |
|-------------------------|-------|
| Disappearing Deductible | |
| Wreckage Removal | |
| Marine Electronics | \$500 |

(Programming note: Include Trailer display when a trailer is listed for the watercraft and Comprehensive and Collision Coverage are listed.)

| | |
|---------|-------|
| Trailer | \$250 |
|---------|-------|

| | | | |
|---------------------------------------|-------------------------|--|-------|
| Emergency Watercraft Towing and Labor | <\$x,xxx> each incident | | <xxx> |
|---------------------------------------|-------------------------|--|-------|

(Programming note: For customers who e-sign, "Policy number, <XXXXXXXX-X>" will print if available.)
 Policy number: <XXXXXXXX-X>
 <XXXXX XXXXXXXXXXXXXXXXX>
 <XXX XXXXXXXXXXXXXXXXX>
 Page <X of X>
 (Programming note: "Page <X of X>" will not print for e-sign.)

(Programming note: When 75 Nautical Miles limit is listed, display the following hard coded coverage name and limit text: Coastal Navigation 75 Nautical Miles.)

| | | |
|--|----------------------|---------------|
| Coastal Navigation | <xxx> Nautical Miles | <xxx> |
| Replacement Cost Personal Effects | <\$x,xxx> | <\$xxx> <xxx> |
| (Programming note: Roadside Assistance only prints when trailer information, Comprehensive and Collision Coverage are listed on the policy.) | | |
| Roadside Assistance | | included |
| Total premium for 2002 Bass | | <\$x,xxx> |
| | | |
| Total 12 month policy premium | | <\$xx,xxx> |

(Programming note: The section below prints when Comprehensive and Collision Coverage are listed on the application.)

The watercraft value listed within the Comprehensive and Collision information above, reflects one of the following loss settlement options:

Total Loss Replacement/Purchase Price – Represents the purchase price of the watercraft (including tax and title fees paid at the time of purchase), including any portable boating equipment, permanently attached equipment and trailer if Trailer Coverage is requested. Purchase Price must be supported by a sales receipt. The insured must be the original owner. "Used" boats do not qualify.

Agreed Value – Represents the current market value of the watercraft, including any portable boating equipment, permanently attached equipment and trailer if Trailer Coverage is requested. The Agreed Value should be reviewed periodically to ensure that it continues to reflect the current market value of your watercraft.

For watercraft purchased within the previous two years, current market value can be determined by a sales receipt. If a sales receipt is unavailable or if the watercraft was purchased more than 2 years ago, current market value can be determined by a current BUC Guide, ABOS Blue Book, N.A.D.A. Appraisal Guide, accredited marine survey or local dealer.

Actual Cash Value – Represents the current market value of the watercraft, including any portable boating equipment, permanently attached equipment and trailer if Trailer Coverage is requested. This amount should be reviewed periodically to ensure that it continues to reflect the current market value of your watercraft, since total loss settlements will pay the lesser of this amount or the actual cash value of the watercraft at the time of loss minus the deductible.

(Programming note: The section below always prints.)

A coastal navigation limit applies to this policy. Watercraft with a coastal navigation limit of 75 nautical miles are not covered for losses that occur more than 75 nautical miles from the coast of the United States or Canada or for losses that occur in any territory or territorial waters of any country other than the United States or Canada. A coastal navigation limit of 125 nautical miles extends coverage from 75 nautical miles to 125 nautical miles from the coast of the United States or Canada, and includes the territory and territorial waters of the Commonwealth of Bahamas extend no further north than 27 degrees 30 minutes north latitude (27° 30' N); no further east than 75 degrees 30 minutes west longitude (75° 30' W); and no further south than 24 degrees north latitude (24° N). Losses that occur in territories and territorial waters of any other country are not covered.

(Programming note: For customers who e-sign, "Policy number, <XXXXXXXX-X>" will print if available.)
 Policy number: <XXXXXXXX-X>
 <XXXXX XXXXXXXXXXXXXXXXX>
 < XXX XXXXXXXXXXXXXXXXX>
 Page <X of X>
 (Programming note: "Page <X of X>" will not print for e-sign.)

(Programming note: The section below prints when a discount applies to the application and only applicable sections print. If only one discount present, heading will read Premium discount.)

Premium discounts

Policy

 <XXXXXXXX-X> (Programming note: Policy number <XXXXXXXX-X> will print if available.)Discount will display if applicable

Driver

 <XXXX XXXXXXXXXXXXXXXXX> Discount will display if applicable

Watercraft
 2002 Bass BT1
 Discount will display if applicable

Driving history

(Programming note: The section below prints when there is a rated driver with a violation or accident.)

Please review the following information carefully because driving history is used to determine your rate. All accidents are considered at-fault and chargeable unless the accident is under an applicable payment threshold or we receive additional information from you or another source that proves the accident was not-at-fault. We obtain driving history from the following sources:

- Your application (APP)
- Motor Vehicle Reports - provided by state agencies (MVR)

| Driver | Description | Date | Source |
|---------------------------|-------------|----------------|--------|
| <XXXXX XXXXXXXXXXXXXXXXX> | <XXXXXXXX> | <MMM DD, YYYY> | <XXX> |

(Programming note: The section below prints when all drivers have a clean driving record.)

<XXXXX> (Brand company name will print in place of the X's) uses driving history to determine your rate. There are no accidents or violations for drivers on this policy.

(Programming note: The heading below prints when there is a Lienholder only.)

Lienholder information

(Programming note: The heading below prints when there is an Additional Interest only.)

Additional Interest information

(Programming note: The heading below prints when there is a Lienholder and Additional Interest.)

Lienholder and Additional Interest information

(Programming note: The sections below prints the names and addresses on file for the Lienholder and Additional Interest.)

Lienholder: LP #1
 <XXX XXXXX XXXX, XX XXXXX>
 2002 Bass BT1 <XXXXXXXXXXXXXXXXXX>

Additional Interest: ADDITIONAL INTEREST
 <XXX XXXXX XXXX, XX XXXXX>

(Programming note: For customers who e-sign, "Policy number, <XXXXXXXX-X>" will print if available.)

Policy number: <XXXXXXXX-X>
<XXXXX XXXXXXXXXXXXXXXXX>
< XXX XXXXXXXXXXXXXXXXX>
Page <X of X>

(Programming note: "Page <X of X>" will not print for e-sign.)

(Programming note: This section always prints. The form number is 1004 (09/07). Form number will not print on notices unless programming note indicates otherwise.)

(Programming note: For customers who e-sign, an "x" and their initials should prefill next to their selection. ("yes/no"). Questions 1-4 should be defaulted to "no". The "Seaworthinessquestion" should default to "yes". If a customer answers "yes" to 1-4, or "no" to the "Seaworthiness question", they should not be allowed to e-sign.)

Boat questionnaire

Please complete this section and initial each response.

1. Are any of the watercraft listed used for commercial purposes? Commercial purposes include, but are not limited to, use as a water taxi, use for guided tours, and commercial fishing, netting, or trapping.

(Note: Fishing tournament participation is not considered commercial usage.)

_____Yes _____No _____Initial

2. Are any of the watercraft listed used as a primary residence?

_____Yes _____No _____Initial

3. Are any of the watercraft listed capable of speeds in excess of 75 MPH (90 MPH for bass boats)?

_____Yes _____No _____Initial

4. Do any of the watercraft listed have an engine or engines with total horsepower in excess of 500 for single engine or 1000 for twin engines?

_____Yes _____No _____Initial

Seaworthiness question:

"Seaworthy" means fit to withstand the foreseeable and expected conditions of weather, wind, seas and the rigors of normal and foreseeable use. As used in this definition, "seas" refers to the waters - whether ocean, inland, or both - upon which the watercraft was designed to and will be operated.

1. Are all listed watercraft in seaworthy condition?

_____Yes _____No _____Initial

(Programming note: For customers who e-sign, "Policy number, <XXXXXXXX-X>" will print if available.)
Policy number: <XXXXXXXX-X>
<XXXXX XXXXXXXXXXXXXXXXX>
< XXX XXXXXXXXXXXXXXXXX>
Page <X of X>

(Programming note: The text below all of the bolded headings within this Application agreement section should print directly below the heading.

Application agreement

Verification of content

I affirm that the statements contained herein are true to the best of my knowledge and belief and do agree to pay any surcharges applicable under the Company rules which are necessitated by inaccurate statements. I understand that this policy may be rescinded and declared void if this application contains any false information or if any information that would alter the Company's exposure is omitted or misrepresented.

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Notice of information practices

I understand that to calculate an accurate price for my insurance, the Company may obtain information from third parties, such as consumer reporting agencies that provide driving, claims and credit histories. The Company may use a credit-based insurance score based on the information contained in the credit history. The Company or its affiliates may obtain new or updated information to calculate my renewal premium or service my insurance. I may access information about me and correct it if inaccurate. In some cases, the law permits the Company to disclose the information it collects without authorization. However, the Company will not share personal information with nonaffiliated companies for their marketing purposes without consent. Complete details are in the Company's Privacy Policy, which will be provided with this insurance policy and upon request.

I affirm that

If I make my initial payment by electronic funds transfer, check, draft, or other remittance, the coverage afforded under this policy is conditioned on payment to the Company by the financial institution. If the transfer, check, draft, or other remittance is not honored by the financial institution, the Company shall be deemed not to have accepted the payment and this policy shall be void.

If I make my initial payment by credit card, the coverage afforded under this policy is conditioned on payment to the Company by the card issuer. I understand that if the Company is unable to collect my initial payment from the card issuer, the Company shall be deemed not to have accepted the payment and this policy shall be void. I also understand that if I authorize a credit card transaction for any payment other than the initial payment, this policy will be subject to cancellation for nonpayment of premium if the Company is unable to collect payment from the card issuer. The Company is deemed "unable to collect" in the following instances: (1) when I reach my credit limit on my credit card and the card issuer refuses the charge; (2) when the card issuer cancels or revokes my credit card; or (3) when the card issuer does not pay the Company, for any reason whatsoever, upon the Company's request.

I understand that the maximum limit for Comprehensive and Collision Coverage (if purchased) is the Actual Cash Value of the vehicle at the time of the loss, less the deductible, or the amount displayed on the declaration page, whichever is less; unless Total Loss Replacement/Purchase Price or Agreed Value Coverage options are selected, in which case the maximum limits are determined as provided for in the policy contract.

I affirm that none of the listed watercraft are used for commercial purposes or as a primary residence. I also affirm that the watercraft are in seaworthy condition and that they are in compliance with all published United States Coast Guard safety standards and provisions.

(Programming note: For customers who e-sign, "Policy number, <XXXXXXXX-X>" will print if available.)
Policy number: <XXXXXXXX-X>
<XXXXX XXXXXXXXXXXXXXXXX>
< XXX XXXXXXXXXXXXXXXXX>
Page <X of X>

(Programming note: "Page <X of X>" will not print for e-sign.)

Other charges

I understand that the company may retain a cancellation fee if this policy is canceled at my request, or if cancellation is for nonpayment of premium, during the initial policy period.

I agree to pay the installment fees shown on my billing statement that become due during the policy term and each renewal policy term in accordance with the payment plan I have selected. I understand that the amount of these fees may change upon policy renewal or if I change my payment plan. Any change in the amount of installment fees will be reflected on my payment schedule.

I understand that a returned payment fee of <\$XX.XX> will be assessed to the balance due on my policy if any check offered in payment is not honored by my bank or other financial institution. Imposition of such charge shall not deem the Company to have accepted the check unconditionally.

I agree to pay a late fee of <\$XX.XX> during the policy term and each renewal policy term when either the minimum amount due is not paid or payment is postmarked more than <XX> days after the premium due date. The amount of this fee may change upon policy renewal.

(Programming note: The "Applicant signature" heading and the three paragraphs under the heading print for customers who elect to sign their application electronically.)

Applicant signature

(Programming note: First and last name of primary named insured will display in variable text field.)

I represent that I, <XXXXXXXXXXXXXXXX>, am the person identified as the named insured and the first driver in the Drivers and household residents section of this application. I acknowledge and agree to the statements contained within this application.

I also acknowledge and agree that by typing my name in the designated boxes on the screen below this form and clicking "Continue", I am electronically signing this application, which will have the same legal effect as the execution of this document by a written signature and shall be valid evidence of my intent and agreement to be bound by its terms.

I understand that my name already appears in the signature line below because I chose to electronically sign this application.

(Programming note: The signature line will appear on all applications.)

(Programming note: Pre-fill name and date for those who elect to sign electronically.)

(Programming note: For Direct, "Not Applicable/Sample Form" will print on the signature line for unsold applications, or in the event the customer fails authentication or fails to e-sign.)

Signature of named insured

Date

X

Coastal Navigation Endorsement

If **you** pay the premium for coastal navigation of 125 nautical miles, for any **covered watercraft, your** Boat and Personal Watercraft Policy is amended as follows:

The Policy Period and Territory provision under the General Provisions is deleted and replaced by the following:

Policy Period and Territory

This policy applies only to accidents and losses occurring during the policy period shown on the **declarations page** and which occur within:

- a. a state, territory, or possession of the United States of America, or a province of Canada, including their inland lakes, rivers, and navigable waterways;
- b. the Great Lakes;
- c. ocean waters 125 nautical miles or less from the coast of either the United States or Canada, but not including the territory or territorial waters of any country other than the United States or Canada, except as provided in the following subsection (d); or
- d. territory or territorial waters of the Commonwealth of Bahamas that extend no further north than 27 degrees 30 minutes north latitude (27° 30' N); no further east than 75 degrees 30 minutes west longitude (75° 30' W); and no further south than 24 degrees north latitude (24° N) .

The **covered watercraft** shall have a hull length of at least 26 feet and two primary engines, unless the **covered watercraft** is a sailboat, in which case it shall have at least one inboard engine. If the **covered watercraft** does not meet these specifications, the coverage afforded by this endorsement shall be void from inception.

The **covered watercraft** shall not remain in ocean waters greater than 75 nautical miles from the coast of the United States or Canada for more than 30 consecutive days at a time. If the **covered watercraft** remains in ocean waters greater than 75 nautical miles from the coast of the United States or Canada for more than 30 days, the coverage afforded by this endorsement shall not apply beyond the 30 days and shall not be available until the **covered watercraft** returns to within 75 nautical miles from the coast of the United States or Canada.

All other terms, limits and provisions of this policy remain unchanged.

SERFF Tracking Number: PRGS-125723166 *State:* Arkansas
First Filing Company: Progressive Casualty Insurance Company, ... *State Tracking Number:* EFT \$50
Company Tracking Number: L080230-AR-BT
TOI: 09.0 Inland Marine *Sub-TOI:* 09.0006 Other Personal Inland Marine
Product Name: Boat
Project Name/Number: L080230-AR-BT/L080230-AR-BT

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: PRGS-125723166 State: Arkansas
First Filing Company: Progressive Casualty Insurance Company, ... State Tracking Number: EFT \$50
Company Tracking Number: L080230-AR-BT
TOI: 09.0 Inland Marine Sub-TOI: 09.0006 Other Personal Inland Marine
Product Name: Boat
Project Name/Number: L080230-AR-BT/L080230-AR-BT

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 07/10/2008

Comments:

Attachment:

NAIC P&C Transmittal Document - AR BT.pdf

Satisfied -Name: Certificate of Readability **Review Status:** Approved 07/10/2008

Comments:

Attachment:

Readability Certificate for AR BT.pdf

Satisfied -Name: Comparison Documents **Review Status:** Approved 07/10/2008

Comments:

Attachments:

2649 V. 2747.pdf
4984 _09-07_ Coastal Navigation Endorsement.3r.pdf
4999 AR _06-08_ 1r.pdf

Satisfied -Name: Summary of Changes **Review Status:** Approved 07/10/2008

Comments:

Attachment:

Z571 AR _06-08_1c.pdf

Satisfied -Name: Cover Letter **Review Status:** Approved 07/10/2008

Comments:

Attachment:

07-07-08 Initial Cvr Ltr.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: <table style="width: 100%; border: none;"> <tr> <td style="width: 60%; border: none;">New Business</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">Renewal Business</td> <td style="border: none;"></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes | New Business | | Renewal Business | |
| New Business | | | | | |
| Renewal Business | | | | | |

| | |
|--|---------------------|
| 3. Group Name | Group NAIC # |
| The Progressive Group of Insurance Companies | 155 |

| 4. Company Name(s) | Domicile | NAIC # | FEIN # | State # |
|--|----------|--------|------------|---------|
| Progressive Casualty Insurance Company | OH | 24260 | 34-6513736 | |
| Progressive Direct Insurance Company | OH | 16322 | 34-1524319 | |
| Progressive Northwestern Insurance Company | OH | 24919 | 91-117829 | |
| | | | | |
| | | | | |

| | |
|-----------------------------------|----------------------|
| 5. Company Tracking Number | L080230-AR-BT |
|-----------------------------------|----------------------|

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

| 6. | Name and address | Title | Telephone #s | FAX # | e-mail |
|----|--|----------------|--------------|--------------|------------------------------------|
| | Edward P. Simms 6300 Wilson Mills Rd N72B Mayfield Village, OH 44143 | Senior Counsel | 440-395-3013 | 440-395-3790 | Edward_P_Simms@ Progressive.com |

| | | |
|----|-------------------------------|--|
| 7. | Signature of authorized filer |  |
|----|-------------------------------|--|

| | | |
|----|---------------------------------------|-----------------|
| 8. | Please print name of authorized filer | Edward P. Simms |
|----|---------------------------------------|-----------------|

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

| | | |
|-----|--|--|
| 9. | Type of Insurance (TOI) | |
| 10. | Sub-Type of Insurance (Sub-TOI) | |
| 11. | State Specific Product code(s)(if applicable)[See State Specific Requirements] | N/A |
| 12. | Company Program Title (Marketing title) | N/A |
| 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: 11-14-2008 Renewal: |
| 15. | Reference Filing? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 16. | Reference Organization (if applicable) | N/A |
| 17. | Reference Organization # & Title | N/A |
| 18. | Company's Date of Filing | 07-07-2008 |
| 19. | Status of filing in domicile | <input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved |

Property & Casualty Transmittal Document—

| | | |
|------------|--|----------------------|
| 20. | This filing transmittal is part of Company Tracking # | L080230-AR-BT |
|------------|--|----------------------|

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

The **Arkansas Boat and Personal Watercraft Policy – Form 2747 AR (06/08)** is an Arkansas-specific adaptation of the model boat and personal watercraft policy developed for use in every state. It will replace the Arkansas Boat and Personal Watercraft Policy – Form No. 2649 AR (12/07) that was approved on January 29, 2008, in your File # AR-PC-07-026418. A comparison document is included to assist you in reviewing all changes.

The **Important Notice About Upcoming Changes in Your Coverage – Form Z571 AR (06/08)** summarizes substantive changes to the policy and is submitted for informational purposes only and not for review and approval.

The **Arkansas Combo (Agency/Direct) Application – Form 4999 AR (06/08)** will replace the Arkansas COMBO (Agency/Direct) Application – Form 4999 AR (02/06) that was approved for use on July 27, 2006, in your File # AR-PC-06-018658. A comparison document has been included to assist you in your review.

The **Coastal Navigation Endorsement – Form 4984 (09/07)** replaces the Coastal Navigation Endorsement – Form 4984 (05/04), which was approved on July 27, 2006, in your File # AR-PC-06-018658. The Coastal Navigation Endorsement – Form 4984 (09/07) endorses the Arkansas Boat and Personal Watercraft Policy – Form 2747 AR (06/08) and will issue whenever an insured has paid a premium for coastal navigation coverage of 125 nautical miles. A comparison document has been included to assist you in your review.

| | |
|--|---|
| 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] |
| Check #: SERFF EFT Amount: \$50.00 | |
| Refer to each state's checklist for additional state specific requirements or instructions on calculating fees. | |

*****Refer to the 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 # | L080230-AR-BT | | | |
| 2. | This filing corresponds to rate/rule filing number <small>(Company tracking number of rate/rule filing, if applicable)</small> | N/A | | | |
| 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 | Arkansas Boat and Personal Watercraft Policy | 2747 AR (06/08) | [] New [X] Replacement [] Withdrawn | 2649 AR (12/07) | AR-PC-07-026418 |
| 02 | Arkansas Combo (Agency/Direct) Application | 4999 AR (06/08) | [] New [X] Replacement [] Withdrawn | 4999 AR (02/06) | AR-PC-06-018658 |
| 03 | Coastal Navigation Endorsement | 4984 (09/07) | [] New [X] Replacement [] Withdrawn | 4984 (05/04) | AR-PC-06-018658 |
| 04 | | | [] New [] Replacement [] Withdrawn | | |
| 05 | | | [] New [] Replacement [] Withdrawn | | |
| 06 | | | [] New [] Replacement [] Withdrawn | | |
| 07 | | | [] New [] Replacement [] Withdrawn | | |
| 08 | | | [] New [] Replacement [] Withdrawn | | |
| 09 | | | [] New [] Replacement [] Withdrawn | | |
| 10 | | | [] New [] Replacement [] Withdrawn | | |

PC FFS-1

READABILITY CERTIFICATE

We, Kathleen M. Cerny, Assistant Secretary of Progressive Casualty and Progressive Northwestern Insurance Companies, and Karen A. Kosuda, Assistant Secretary of Progressive Direct Insurance Company, certify that the **Arkansas Boat and Personal Watercraft Policy – Form 2747 AR (06/08)** achieved a score of **46.7**, and the **Coastal Navigation Endorsement – Form 4984 (09/07)** achieved a score of **43.3**. These forms comply with the readability requirements of the State of Arkansas when tested in accordance with the Flesch Reading Ease Test.



Karen A. Kosuda
Assistant Secretary
Progressive Direct Insurance Company

Date: June 07, 2008



Kathleen M. Cerny
Assistant Secretary
Progressive Casualty Insurance Company
Progressive Northwestern Insurance Company

COMPARISON DOCUMENT

2649 AR (12/07) V. 2747 AR (06/08)

Additions shown in **blue text** / Deletions shown in ~~red strike-through marks~~

ARKANSAS

BOAT AND PERSONAL WATERCRAFT POLICY

~~ARKANSAS~~

~~BOAT AND PERSONAL WATERCRAFT
POLICY~~

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ARKANSAS BOAT AND PERSONAL WATERCRAFT POLICY

~~If you pay your premium on time, we will provide the insurance described in this policy.~~

YOUR DUTIES

WHAT YOU MUST DO IN CASE OF AN ACCIDENT OR LOSS

Notify Us As Soon As Practicable

~~If a person or watercraft covered by this policy is involved in an accident or loss for which this insurance may apply, report it to us within twenty-four (24) hours or as soon as practicable by calling us at 1-800-274-4499.~~

~~For coverage to apply under this policy, you or an insured person must promptly report each accident or loss even if you or an insured person is not at fault.~~

~~You should provide us with the following accident or loss information as soon as it is available:~~

- ~~• time;~~
- ~~• place;~~
- ~~• circumstances of the accident or loss (for example, how the accident happened and weather conditions);~~
- ~~• names and addresses of all persons involved; and~~
- ~~• names and addresses of any witnesses.~~

~~You or an insured person should also notify the United States Coast Guard, police, or other civil authority, in accordance with applicable laws and regulations, within twenty-four (24) hours, or as soon as practicable, if a covered watercraft is involved in an accident or loss.~~

~~For coverage to apply under this policy, a person claiming coverage must:~~

- ~~• cooperate with us in any matter concerning a claim or lawsuit;~~
- ~~• provide any written proof of loss we may reasonably require;~~
- ~~• allow us to take signed and recorded statements, including sworn statements and examinations under oath, and answer all reasonable questions we may ask as often as we may reasonably require;~~
- ~~• promptly send us any and all legal papers relating to any claim or lawsuit;~~
- ~~• attend hearings and trials as we require;~~
- ~~• take reasonable steps after a loss to protect a covered watercraft from further loss. We will pay reasonable expenses incurred in providing that protection. If you fail to do so, any further damages will not be covered under this policy;~~
- ~~• prepare an inventory of all damaged or stolen personal property, setting forth, in detail, the quantity, description, age, replacement cost, actual cash value, and amount of the damage or loss. All bills, receipts and related documents that support the values described in the inventory must be included if reasonably available;~~
- ~~• allow us to have the damaged covered watercraft, non-owned watercraft, or any other property that may be covered under this policy, inspected and appraised before its repair or disposal;~~
- ~~• submit to medical examinations at our expense by doctors we select as often as we may reasonably require; and authorize us to obtain medical and other records.~~

INSURING AGREEMENT

In return for your payment of the premium, we agree to insure you subject to all the terms, conditions, and limitations of this policy. We will insure you for the coverages and the limits of liability shown on this policy's **declarations page**. Your policy consists of the policy contract, your insurance application, the **declarations page**, and all endorsements to this policy.

GENERAL DEFINITIONS

~~Except as otherwise defined in this policy, terms appearing~~ The following definitions apply throughout the policy. Defined terms are printed in boldface, type and have the same meaning whether in

the singular, plural, or possessive, will have the following meaning:

1. ~~“Accident” means a sudden, unexpected, and unintended occurrence.~~
2. ~~“Bodily injury” means bodily harm, sickness, or disease, including death that results from bodily harm, sickness, or disease. “Bodily injury” does not include any sexually transmitted disease transmitted by an insured person.~~
3. ~~“Business” includes a trade, profession, or occupation, other than tournament fishing, form.~~

4. ~~“Covered~~ **1. "Additional watercraft:"** means:

~~— a. any watercraft shown on the Declarations Page, unless you have asked us to delete that watercraft from the policy;~~

~~— b. any additional watercraft on the date you become the owner if:~~

~~— (i) you acquire the watercraft of during the policy period that does not permanently replace a watercraft shown on the Declarations Page;~~ **declarations page if:**

~~— (ii) a. we insure all other watercraft owned by you; and own;~~

~~— (iii) no other insurance policy provides coverage for that watercraft.~~ **b. the additional watercraft is not covered by any other insurance policy;**

~~— If we provide coverage for a watercraft you acquire in addition to any watercraft shown on the Declarations Page, we will provide the broadest coverage, other than Total Loss Replacement/Purchase Price Coverage or Agreed Value Coverage, which we provide for any watercraft shown on the Declarations Page. We will provide that coverage for a period of thirty (30) days after you become~~ **C. you notify us within 30**

~~days of becoming the owner. We will not provide coverage after this thirty (30) day period, unless within this period you ask us to insure~~ **of the additional watercraft. If; and**

d. you pay any additional premium due.

An **additional watercraft** will have the broadest coverage we provide for any **watercraft** shown on the **declarations page**. However, if the broadest coverage is Total Loss Replacement/Purchase Price Coverage or Agreed Value Coverage, we will provide basic Comprehensive Coverage and Collision Coverage for the **additional watercraft** instead of these coverages. If **you decide to add** any coverage to this policy or increase **your** limits, these changes to **your** policy will not become effective until after **you ask us** to add the coverage or increase **your** limits; ~~and~~. If **you ask us** to insure an **additional watercraft** more than 30 days after **you** become the owner, any coverage we provide will begin at the time **you** request coverage.

~~— e. 2. "Bodily injury" means bodily harm, sickness, or disease, including death that results from bodily harm, sickness, or disease.~~

3. **"Covered watercraft"** means:

a. any **watercraft** shown on the **declarations page** for the coverages applicable to that **watercraft**;

b. any **additional watercraft**; or

c. any **replacement watercraft** ~~on the date you become the owner if:~~

~~— (i) you acquire the watercraft during the policy period shown on the~~ **4. "Declarations Page;**

~~— (ii) the watercraft that you acquire replaces one shown on the Declarations Page; and~~

~~— (iii) no other insurance policy provides coverage for that watercraft.~~

~~— If the watercraft that you acquire replaces one shown on the Declarations Page, it will have the same coverage, other than Total Loss Replacement/Purchase Price Coverage or Agreed Value Coverage, as the watercraft it replaces. If the replaced watercraft had Total Loss Replacement/Purchase Price Coverage or Agreed Value Coverage, we will provide basic Comprehensive and Collision Coverage for the replacement watercraft instead of these coverages. You must ask us to insure a replacement watercraft within thirty (30) days after you become the owner if you want to continue any coverage you had under Part IV—Physical Damage Coverage. If the watercraft replaced did not have coverage under Part IV—Physical Damage Coverage, you may ask us to add coverage for the replacement watercraft. However, if you add coverage under Part IV—Physical Damage Coverage, it will not become effective until after you ask us to add the coverage. If you add any other coverage to this policy or increase your limits, it will not become effective until after you ask us to add the coverage or increase your limits.~~

5. **"Declarations Page" page** means the document ~~from us listing:~~

- ~~a.~~ the showing **your** coverages ~~you have elected~~, limits of liability, **covered watercraft**, premium, and other policy-related information. The **declarations page** may also be referred to as the Watercraft Insurance Coverage Summary.
- ~~b.~~ the limit for each coverage;
- ~~c.~~ the cost for each coverage;
- ~~d.~~ the specified **watercraft** covered by this policy; and
- ~~e.~~ other information applicable to this policy.
- ~~6.~~ **"Loss"** means sudden, direct and accidental loss or damage.
- ~~7.~~ **"5. "Marine electronics:"** means electronic devices used for marine navigation or marine communication, including, but not limited to, portable or handheld devices such as GPS.
- ~~8.~~ **"6. "Motor:"** means a motor or motors owned by **you** and designed to propel a **covered watercraft**, including the following parts and accessories when supplied by the manufacturer:
 - ~~a.~~ remote controls;
 - ~~b.~~ electric harnesses;
 - ~~c.~~ fuel containers; and
 - ~~d.~~ batteries.
- ~~9.~~ **"Non-owned watercraft"** means any **watercraft** that is not owned by **you**, a **relative**, or the named insured's non-resident spouse.
- ~~10.~~ **"7. "Occupying:"** means in, on, entering, exiting or proximate to a **watercraft**, or a non-motorized trailer, **which is designed to be towed on public roads by a land motor vehicle and designed for the transportation of a watercraft.** **"Occupying:"** includes being towed by a **watercraft** while the person is on a wake board, knee board, tube, air chair or water skis.
- ~~11.~~ **"Owned"** means the person:
 - ~~a.~~ holds legal title to the **watercraft**;
 - ~~b.~~ has legal possession of the **watercraft** that is subject to a written security agreement with an original term of six (6) months or more; or
 - ~~c.~~ has legal possession of the **watercraft** that is leased to that person under a written agreement for a continuous period of six (6) months or more.
- ~~12.~~ **"Owner"** means any person who, with respect to a **watercraft**:
 - ~~a.~~ holds legal title to the **watercraft**;
 - ~~b.~~ has legal possession of the **watercraft** that is subject to a written security agreement with an original term of six (6) months or more; or
 - ~~c.~~ has legal possession of the **watercraft** that is leased to that person under a written agreement for a continuous period of six (6) months or more.
- ~~13.~~ **"8. "Permanent equipment:"** means equipment permanently installed on a **covered watercraft** using bolts or brackets, including slide-out brackets. **"Permanent equipment:"** includes, but is not limited to, permanently installed:
 - ~~a.~~ ship-to-shore radios;
 - ~~b.~~ depth finders;
 - ~~c.~~ loran and GPS systems;
 - ~~d.~~ fish finders;
 - ~~e.~~ radar and sonar systems; and
 - ~~f.~~ auxiliary trolling motors.
- ~~14.~~ **"9. "Portable boating equipment:"** means detachable boating equipment owned by **you** and customarily kept in or on a **covered watercraft** for the maintenance or use of the **watercraft.** **"Portable boating equipment:"** includes, but is not limited to:
 - ~~a.~~ anchors;
 - ~~b.~~ oars;
 - ~~c.~~ sails;
 - ~~d.~~ tarpaulins;
 - ~~e.~~ extra fuel tanks;
 - ~~f.~~ portable cook stoves;

- g. safety and life-saving equipment;
 - h. —~~h.~~ deck chairs;
 - i. —~~i.~~ water skis and other water sports equipment intended to be towed by a **watercraft**, including, but not limited to, wake boards, knee boards, tubes and air chairs; and
 - j. —~~j.~~ portable **marine electronics**.
- ~~15.~~ **10.** "**Property damage**" means physical damage to, destruction of, or loss of use of, tangible property.
- ~~16.~~ **11.** "**Punitive or exemplary damages**" means damages which may be imposed to punish a wrongdoer and to deter others from similar conduct.
- ~~17.~~ **12.** "**Relative**" means a person residing in the same household as **you**, and related to **you** by blood, marriage, or adoption, ~~including and includes~~ a ward, stepchild, or foster child. **Your** unmarried dependent children temporarily away from home will ~~be considered residents~~ qualify as a **relative** if they intend to continue to reside in **your** household.
- ~~18.~~ **13.** "**Replacement watercraft**" means a **watercraft** that permanently replaces a **watercraft** shown on the **declarations page**. A **replacement watercraft** will have the same coverage as the **watercraft** it replaces if the **replacement watercraft** is not covered by any other insurance policy. However:
- a. if the **watercraft** being replaced had coverage under Part IV - Physical Damage Coverage, such coverage will apply to the **replacement watercraft** only during the first 30 days after **you** become the owner unless **you** notify **us** within that 30-day period that **you** want **us** to extend coverage beyond the initial 30 days; and
 - b. if the **watercraft** being replaced had Total Loss Replacement/Purchase Price Coverage or Agreed Value Coverage, **we** will provide basic Comprehensive Coverage and Collision Coverage for the **replacement watercraft** instead of these coverages.
- If the **watercraft** being replaced did not have coverage under Part IV - Physical Damage Coverage, such coverage may be added, but the **replacement watercraft** will have no coverage under Part IV until **you** notify **us** of the **replacement watercraft** and ask **us** to add the coverage. If **you** decide to add any coverage to this policy or increase **your** limits, these changes to **your** policy will not become effective until after **you** ask **us** to add the coverage or increase **your** limits.
- 14.** "**Seaworthy**" means fit to withstand the foreseeable and expected conditions of weather, wind, seas, and the rigors of normal and foreseeable use.
- ~~19.~~ **15.** "**Trailer**" means a non-motorized trailer owned by **you** that is shown on the **declarations page** and which is designed to be towed on public roads by a land motor vehicle and designed for the transportation of a **covered watercraft**.
- ~~20.~~ **16.** "**Watercraft**" means a boat or other craft that is designed for use on water and has a valid ~~manufacturer~~ manufacturer's or state-assigned hull identification number.
- ~~21.~~ **17.** "**We**", "**us**", and "**our**" mean the **underwriting** company providing the insurance, as shown on the ~~Declarations Page~~ **declarations page**.
- ~~22.~~ **18.** "**You**" and "**your**" mean:
- a. —~~a.~~ a person or persons shown as a named insured on the ~~Declarations Page; and~~ **declarations page**; and
 - ~~b.~~ the spouse of a named insured if residing in the same household;
 - b. at the time of the loss.

PART I - LIABILITY TO OTHERS

INSURING AGREEMENT ~~—LIABILITY TO OTHERS~~

~~Subject to the Limits of Liability, if~~ **If you** pay the premium for ~~liability~~ **this** coverage, **we** will pay damages, ~~other than punitive or exemplary damages,~~ for **bodily injury** and **property damage** for which an **insured person** becomes legally responsible because of an accident ~~arising out of the ownership, maintenance, or use of a watercraft or trailer.~~

Damages include prejudgment interest awarded against an **insured person**.

We will settle or defend, at **our** option, any claim for damages covered by this Part I.

ADDITIONAL DEFINITION

When used in this Part I, ~~whether in the singular, plural or possessive,~~ **"insured person"** means:

~~1.~~ **"Insured person"** means:

- a. **you** or a **relative** with respect to an accident arising out of the ownership, maintenance, or use of a **covered watercraft** or **trailer**;
- ~~2.~~ b. any person with respect to an accident arising out of that ~~person's~~ **person's** use of a **covered watercraft** or **trailer** with the ~~express or implied~~ permission of **you** or a **relative**;
- ~~3. a relative with respect to an accident arising out of the maintenance or use of a non-owned watercraft with the express or implied permission of the owner of the watercraft;~~
- ~~4. you with respect to an accident arising out of the maintenance or use of any watercraft with the express or implied permission of the owner of the watercraft;~~
- ~~5.~~ c. any person or organization with respect **only** to ~~your~~ vicarious liability for ~~an accident arising out of the maintenance or use of a covered watercraft or non-owned watercraft by~~ **the acts or omissions** of a person described in ~~1, 2, 3,~~ **a** or **4b** above; and
- ~~6.~~ d. any Additional Interest Insured ~~designated by you in your application, or by a change request agreed to by us, with respect to~~ **shown on the declarations page** with respect **only** to its liability for ~~an accident arising out of the maintenance acts or use omissions of a watercraft by a~~ person described in ~~1, 2, 3,~~ **a** or **4b** above.

ADDITIONAL PAYMENTS

In addition to **our** limit of liability, **we** will pay for: ~~an insured person:~~

1. all expenses that **we** incur in the settlement of any claim or defense of any lawsuit;
2. interest accruing after entry of judgment, until **we** have paid, **offered to pay**, or ~~tendered~~ **deposited in court** that portion of the judgment ~~that~~ **which** does not exceed **our** limit of liability. This does not apply if **we** have not been given notice of suit or the opportunity to defend an **insured person**;
3. the premium on any appeal bond or attachment bond required in any lawsuit **we** defend. **We** have no duty to purchase a bond in an amount exceeding **our** limit of liability, and **we** have no duty to apply for or furnish these bonds;
4. up to \$250 for a bail bond required because of an accident ~~arising out of the ownership, maintenance, or use of a watercraft by an insured person~~ **resulting in bodily injury or property damage** covered under this **Part I**. **We** have no duty to apply for or furnish this bond; and
5. reasonable expenses, including loss of earnings up to \$200 per day, incurred at **our** request.

EXCLUSIONS - READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART I.

Coverage under this Part I, including **our** duty to defend, ~~does~~**will** not apply to ~~any insured person~~ for:

- ~~1. **bodily injury or property damage** arising out of the ownership, maintenance, or use of a **watercraft or trailer** while being used for commercial or **business** purposes;~~
- ~~2. **bodily injury or property damage** arising out of the ownership, maintenance, or use of **any** watercraft or trailer while being used:
 - a. to carry persons or property for compensation or a fee;
 - b. in any illegal transportation or trade; or
 - c. in any business or occupation.~~

This exclusion does not apply to use of a **watercraft or trailer** for tournament fishing;
2. any liability assumed ~~by an insured person~~ under any contract or agreement; **by you or a relative;**
- ~~43. **bodily injury** to an employee of ~~an~~**that insured person** arising out of or within the course of employment, ~~except for~~. This exclusion does not apply to domestic employees if benefits are neither paid nor required to be provided under ~~workers'~~**workers'** compensation, disability benefits, or similar laws;~~
- ~~54. **bodily injury or property damage** resulting from, or sustained during practice or preparation for:
 - a. any pre-arranged or organized racing, **stunting**, speed or demolition contest, ~~stunting~~ or activity; or ~~in practice or preparation for any such contest or activity. However, this~~
 - b. any driving, riding, navigation, piloting or boating activity conducted on a permanent or temporary racecourse.~~

This exclusion does not apply to **bodily injury or property damage** resulting from the use of a sailboat in any pre-arranged or organized racing or speed contest, or in practice or preparation for any such contest;
- ~~65. **bodily injury or property damage** due to a nuclear reaction or radiation;~~
- ~~76. **bodily injury or property damage** for which insurance:
 - a. is afforded under a nuclear energy liability insurance contract; or
 - b. would be afforded under a nuclear energy liability insurance contract but for its termination upon exhaustion of its limit of liability;~~
8. any obligation for which the United States Government is liable under the Federal Tort Claims Act;
- ~~98. **bodily injury or property damage** caused by an intentional act of ~~an~~**that insured person**, or at the direction of ~~an~~**that insured person**, even if the actual injury or damage is different than that which was intended or expected;~~
- ~~109. **property damage** to any property owned by, rented to, being transported by, used by, or in the charge of ~~an~~**that insured person**. ~~However, this~~ The term "property" includes, without limitation, any **covered watercraft** and any watercraft other than a **covered watercraft**. This exclusion does not apply to a launching ramp, dock, mooring device, or boat storage house rented by **you** ~~and damaged by a covered watercraft or trailer;~~;~~
- ~~110. **bodily injury** to **you** or a **relative**;~~
- ~~12. **bodily injury or property damage** resulting from a **relative's** operation or use of a **watercraft or trailer** owned by **you** or a person who resides with **you**, other than a **covered watercraft or trailer** as defined in the "General Definitions" section of this policy;~~
- ~~13. **bodily injury or property damage** resulting from **your** operation or use of a **watercraft** owned by **you**, other than a **covered watercraft**;~~
- ~~141. **bodily injury or property damage** arising out of the ownership, maintenance, or use of any watercraft or trailer owned by **you** or furnished or available for **your** regular use, other than a **covered watercraft or trailer** while rented to others; for which this coverage has been purchased;~~
12. **bodily injury or property damage** arising out of the ownership, maintenance, or use of any watercraft or trailer owned by a **relative** or furnished or available for the regular use of a **relative**,

other than a **covered watercraft** or **trailer** for which this coverage has been purchased. This exclusion does not apply to **your** maintenance or use of such watercraft or trailer;

13. **bodily injury** or **property damage** arising out of **your** or a **relative's** use of a watercraft or trailer, other than a **covered watercraft** or **trailer** for which this coverage has been purchased, without the permission of the owner of the watercraft or trailer or the person in lawful possession of the watercraft or trailer;
14. **bodily injury** or **property damage** arising out of the use of a **covered watercraft** or **trailer** while leased or rented to others or given in exchange for any compensation. This exclusion does not apply to the operation of a **covered watercraft** or **trailer** by **you** or a **relative**;
15. **punitive or exemplary** damages;
16. **bodily injury** or **property damage** caused by, or reasonably expected to result from, a criminal act or omission of that **insured person**. This exclusion applies regardless of whether that **insured person** is actually charged with, or convicted of, a crime. For purposes of this exclusion, criminal acts or omissions do not include violations of laws or regulations governing the operation of watercraft, provided such violations are not punishable by imprisonment or incarceration;
17. **bodily injury** or **property damage** arising out of para-sailing, kite skiing, or any other activity involving a device designed for flight;
- ~~18.~~ **bodily injury** or **property damage** that occurs because a **covered watercraft** is not in **seaworthy** condition;
- ~~19.~~ **bodily injury** or **property damage** arising out of an accident involving a watercraft or trailer while being towed by or carried by a land motor vehicle;
- ~~20.~~ payment for **bodily injury**, or any other payment or obligation, to any person eligible to receive any benefits required to be provided by **you** under the Jones Act or Federal ~~Longshoremen's~~ **Longshoremen's** and Harbor ~~Workers'~~ **Workers'** Compensation Act; or
- ~~21.~~ **bodily injury** or **property damage** arising out of an accident while using a watercraft as a primary or permanent residence.

LIMITS OF LIABILITY

The limit of liability shown on the ~~Declarations Page~~ **declarations page** for liability coverage is the most we will pay ~~for any one accident~~ regardless of the number of:

1. claims made;
2. **covered watercraft**;
3. **insured persons**;
4. lawsuits brought;
5. watercraft **or trailers** involved in the accident;
6. premiums paid; or
7. **trailers**.

~~If the Declarations Page shows that "combined single limit" or "CSL" applies, the amount shown is the most we will pay for the total of all damages resulting from any one accident. However, without changing this total "each accident" limit of liability, we will comply with any law that requires us to provide any separate limits.~~

~~If your Declarations Page~~ **If your declarations page** shows a split limit:

1. the amount shown for **"each person"** is the most we will pay for all damages due to **bodily injury** to one person, ~~resulting from any one accident~~;
2. subject to the **"each person"** limit, the amount shown for **"each accident"** is the most we will pay for all damages due to **bodily injury** sustained by two or more persons in any one accident; and

3. the amount shown for **"property damage"** is the most **we** will pay for the total of all **property damage** ~~for which an insured person becomes liable as a result of~~ **resulting from** any one accident.

The **"each person"** limit of liability ~~includes~~ **applies to** the total of all claims made for **bodily injury to a person** and all claims of others, **if allowed by law**, derived from such **bodily injury**, including, but not limited to, emotional injury or mental anguish resulting from the **bodily injury** of another or from witnessing the **bodily injury** to another, loss of society, loss of companionship, loss of services, loss of consortium, and wrongful death.

~~If you are legally required to pay for the cost of any attempted or actual raising, removal, or destruction of the wreckage of a covered watercraft, we will pay under this Part I up to the limit of liability for property damage. However, if Wreckage Removal Coverage applies under Part IV—Physical Damage Coverage of this policy, then we will pay for the cost of any attempted or actual raising, removal or destruction of the wreckage of a covered watercraft pursuant to the limits set forth in the Wreckage Removal Coverage. If the declarations page shows that "combined single limit" or "CSL" applies, the amount shown is the most we will pay for the total of all damages resulting from any one accident. However, without changing this limit of liability, we will comply with any law that requires us to provide any separate limits.~~

No one ~~will be~~ **is** entitled to duplicate payments for the same elements of damages.

Any payment to a person under this Part I ~~shall~~ **will** be reduced by any payment to that person under Part III - Uninsured ~~Underinsured~~ Boater Coverage.

We will not pay under this Part I any expenses paid or payable under Part II - Medical Payments Coverage.

If multiple boat and personal watercraft policies issued by **us** are in effect for **you**, **we** will pay no more than the highest limit of liability for this coverage available under any one policy.

A **watercraft** and:

1. a **trailer** which the **watercraft** is in or on;
 2. a **trailer** to which the **watercraft** is attached;
 3. a **trailer** which the **watercraft** is in the process of being placed onto or into; or
 4. a **trailer** from which the **watercraft** is in the process of being removed;
- are considered one **watercraft** for purposes of determining the limits of liability under this Part I. Therefore, the limits of liability will not be increased for an accident involving a **watercraft** and **trailer** in any of the aforementioned circumstances.

If **you** are legally required to pay for the cost of any attempted or actual raising, removal, towing, or destruction of the wreckage of a **covered watercraft** or a watercraft of others, then **we** will pay under this Part I up to the limit of liability for **property damage**. However, if Wreckage Removal Coverage applies under Part IV - Physical Damage Coverage, then **we** will pay for the cost of any attempted or actual raising, removal, towing, or destruction of the wreckage of a **covered watercraft** pursuant to the limits set forth in the Wreckage Removal Coverage.

OTHER INSURANCE

If there is any other applicable liability insurance or bond, **we** will pay only **our** share of the damages. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits.

However, any insurance we provide for ~~liability arising out of the ownership, maintenance or use of~~ a watercraft or trailer, other than a **covered watercraft** or **trailer**, ~~shall~~will be excess over any other collectible insurance, self-insurance, or bond.

RIGHT OF DIRECT ACTION

Any person entitled to payment of damages covered under this Part I, or his or her personal representative, shall be subrogated to the right of the person shown as the named insured on the ~~Declarations Page~~declarations page for payment under this Part I. If a judgment against an **insured person** remains unsatisfied after ~~thirty (30)~~ days from the date notice of entry of judgment was served on either the **insured person**, the attorney for the **insured person**, or **us**, the injured person, or his or her personal representative, may maintain an action against **us** for the amount of the judgment not exceeding **our** Limits of Liability.

PART II - MEDICAL PAYMENTS COVERAGE

INSURING AGREEMENT—~~MEDICAL PAYMENTS COVERAGE~~

~~Subject to the Limits of Liability, if~~ **If you** pay the premium for ~~Medical Payments Coverage~~ **this coverage**, we will pay the ~~usual and customary charge~~ for reasonable ~~and necessary~~ expenses, incurred for necessary **medical services** received within three ~~(3)~~ years from the date of an accident, ~~for medical and funeral services~~ involving a **watercraft or trailer** because of **bodily injury**:

1. sustained by an **insured person**; and
2. caused by ~~an~~ **that** accident; ~~and~~.
3. ~~arising out of the ownership, maintenance, or use of a watercraft or trailer.~~

~~Any dispute as to the usual and customary charge will be resolved between the service provider and us. We are not obligated to pay any disputed charge once our limit of liability has been exhausted by payment.~~

We, or someone on **our** behalf, will determine:

1. whether the expenses for **medical services** are reasonable; and
2. whether the **medical services** are necessary.

ADDITIONAL DEFINITIONS

When used in this Part II, ~~whether in the singular, plural or possessive~~:

1. **"Insured person"** means:
 - a. **you or a relative**:
 - (i) while **occupying** ~~any watercraft~~ **watercraft or trailer**; or ~~trailer, other than a watercraft owned by you which is not a covered watercraft;~~
 - b. ~~a relative while occupying a covered watercraft, non-owned watercraft or trailer;~~
 - c. ~~you or any relative~~ (ii) when struck ~~by a watercraft~~, while not **occupying a watercraft**; ~~and~~, by a:
 1. **watercraft**; or
 2. trailer designed to transport a **watercraft** and to be towed on public roads by a land motor vehicle; and
 - b. any other person while **occupying a covered watercraft or trailer**; ~~with the permission of you or a relative.~~
2. **"Usual and customary charge"** means an amount which ~~we~~ determine represents a customary charge for services in the geographical area in which the service is rendered. ~~We shall determine the usual and customary charge through the use of independent sources of our choice.~~ **"Medical services"** means medical, surgical, dental, x-ray, ambulance, hospital, professional nursing, and funeral services, and includes the cost of eyeglasses, hearing aids, pharmaceuticals, and orthopedic and prosthetic devices.

EXCLUSIONS - READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART II.

Coverage under this Part II ~~does~~ **will** not apply to **bodily injury**:

1. sustained by any person while **occupying a covered watercraft or trailer** while **it is** being used ~~for commercial or business purposes~~;
2. ~~sustained by any person while occupying~~ **a watercraft or trailer** while being used. **to carry persons or property for compensation or a fee;**
 - b. in any illegal transportation or trade; or

3. c. in any business or occupation.
This exclusion does not apply to use of a **covered watercraft** or **trailer** for tournament fishing;
2. if ~~workers'~~workers' compensation benefits, or similar benefits, are available for the **bodily injury** under any state, federal, or maritime law;
- ~~4. arising out of an accident involving a watercraft or trailer while being used by a person while employed or engaged in the business of selling, leasing, repairing, docking, mooring, storing, servicing, delivering, or testing watercraft or trailers. However, this exclusion does not apply to you, a relative, or an agent or employee of you or a relative, except paid captain and crew, when using a covered watercraft or trailer;~~
- ~~5. resulting from 3. to any person resulting from, or sustained during practice or preparation for:~~
 - a. any pre-arranged or organized racing, **stunting**, speed or demolition contest, ~~stunting~~ or activity; ~~or in practice or preparation for any such contest or activity. However, this~~
 - b. any driving, riding, navigation, piloting or boating activity conducted on a permanent or temporary racecourse.

This exclusion does not apply to **bodily injury** resulting from the use of a sailboat in any pre-arranged or organized racing or speed contest, or in practice or preparation for any such contest;
- ~~6~~4. due to a nuclear reaction or radiation;
- ~~7~~5. for which insurance:
 - a. is afforded under a nuclear energy liability insurance contract; or
 - ~~8~~ b. would be afforded under a nuclear energy liability insurance contract but for its termination upon exhaustion of its limit of liability;
6. for which the United States Government is liable under the Federal Tort Claims Act;
- ~~9. caused by an intentional act of an insured person or at the direction of an insured person;~~
- ~~10~~7. sustained by any person while **occupying** any watercraft or trailer while located for use as a residence or premises;
8. sustained by any person while **occupying** ~~a covered watercraft or trailer without the express or implied permission of you or a relative;~~
- ~~11. sustained when struck by you or a relative while occupying a non-owned watercraft without the express or implied permission of the owner;~~
- ~~12. sustained by you while occupying any watercraft or trailer owned by you or furnished or available for your regular use, other than a covered watercraft; or trailer for which this coverage has been purchased;~~
- ~~13~~9. sustained by any person while **occupying** or when struck by any watercraft or trailer owned by a **relative** or furnished or available for the regular use of a **relative**, other than a **covered watercraft** or **trailer** ~~while rented to others~~ for which this coverage has been purchased. This exclusion does not apply to **you**;
10. to **you** or a **relative** while **occupying** any watercraft or trailer, other than a **covered watercraft** or **trailer**, without the permission of the owner of the watercraft or trailer or the person in lawful possession of the watercraft or trailer;
11. to any person while **occupying** a **covered watercraft** or **trailer** while leased or rented to others or given in exchange for any compensation. This exclusion does not apply to the operation of a **covered watercraft** or **trailer** by **you** or a **relative**;
12. caused directly or indirectly by:
 - a. war (declared or undeclared) or civil war;
 - b. warlike action by any military force of any government, sovereign or other authority using military personnel or agents. This includes any action taken to hinder or defend against an actual or expected attack; or
 - c. insurrection, rebellion, revolution, usurped power, or any action taken by a governmental authority to hinder or defend against any of these acts;
13. caused directly or indirectly by:

- a. any accidental or intentional discharge, dispersal or release of radioactive, nuclear, pathogenic, or poisonous material; or
 - b. any intentional discharge, dispersal or release of chemical or hazardous material for any purpose other than its safe and useful purpose;
14. caused by, or reasonably expected to result from, a criminal act or omission of an **insured person**. This exclusion applies regardless of whether the **insured person** is actually charged with, or convicted of, a crime. For purposes of this exclusion, criminal acts or omissions do not include violations of laws or regulations governing the operation of watercraft, provided such violations are not punishable by imprisonment or incarceration;
15. arising out of para-sailing, kite skiing, or any other activity involving a device designed for flight;
- ~~16.~~ sustained by any person while a watercraft or trailer is being towed by or carried by a land motor vehicle; or
- ~~17.~~ that occurs because the **covered watercraft** is not in **seaworthy** condition; ~~or.~~
- ~~17. arising out of an **accident** while using a **watercraft** as a primary or permanent residence.~~

LIMITS OF LIABILITY

The ~~Medical Payments~~ limit of liability shown on the ~~Declarations Page~~ **declarations page** for **Medical Payments Coverage** is the most **we** will pay for each **insured person** injured in any one accident, regardless of the number of:

1. claims made;
2. **covered watercraft**;
3. **insured persons**;
4. lawsuits brought;
5. ~~watercraft~~ **watercraft or trailers** involved in the accident;
6. premiums paid; or
7. **trailers**.

~~Any amount payable to an **insured person** under this Part II will be reduced by any amounts paid or payable for the same expense under Part I - Liability To Others or Part III - Uninsured/Underinsured Boater Coverage.~~

No one will be entitled to duplicate payments under this policy for the same elements of damages.

Any amount payable to an **insured person** under this Part II will be reduced by any amount paid or payable for the same expense under Part I - Liability To Others or Part III - Uninsured Boater Coverage.

If multiple boat and personal watercraft policies issued by **us** are in effect for **you**, **we** will pay no more than the highest limit of liability for this coverage available under any one policy.

UNREASONABLE OR UNNECESSARY MEDICAL EXPENSES

If an **insured person** incurs expenses for **medical services** that **we** deem to be unreasonable or unnecessary, **we** may refuse to pay for those expenses and contest them.

If the medical service provider sues the **insured person** because **we** refuse to pay expenses for **medical services** that **we** deem to be unreasonable or unnecessary, **we** will pay any resulting defense costs, and any resulting judgment against the **insured person**, subject to the limit of liability for this

coverage. **We** will choose the counsel. **We** will also pay reasonable expenses, including loss of earnings up to \$200 per day, incurred at **our** request.

The **insured person** may not sue **us** for expenses for **medical services** **we** deem to be unreasonable or unnecessary unless the **insured person** paid the entire disputed amount to the medical service provider or the medical service provider has initiated collection activity against the **insured person** for the unreasonable or unnecessary expenses.

OTHER INSURANCE

If there is other applicable medical payments insurance, **we** will pay only **our** share of the ~~medical and funeral services~~ loss. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits. However, any insurance ~~that we~~ provide for an **insured person** ~~while occupying~~ a watercraft or trailer, other than a **covered watercraft or trailer**, will be excess over any other insurance providing payments for **medical** ~~and funeral expenses with respect to that watercraft or trailer~~ **services**.

PART III - UNINSURED/UNDERINSURED BOATER COVERAGE

INSURING AGREEMENT—UNINSURED BOATER COVERAGE

~~Subject to the Limits of Liability, if~~ **If you** pay the premium for ~~Uninsured Boater Coverage~~ **this coverage**, **we** will pay for damages, ~~other than punitive or exemplary damages, which~~ **that** an **insured person** is legally entitled to recover from the owner or operator of an **uninsured watercraft** because of **bodily injury**:

1. sustained by an **insured person**;
2. caused by an accident; and
3. arising out of the ownership, maintenance, or use of an **uninsured watercraft**.

We will pay under this Part III only after the limits of liability under all applicable bodily injury liability bonds and policies have been exhausted by payment of judgments or settlements.

Any judgment or settlement for damages against an owner or operator of an **uninsured watercraft** that arises out of a lawsuit brought without **our** written consent is not binding on **us**.

ADDITIONAL DEFINITIONS

When used in this Part III, whether in the singular, plural or possessive:

1. **"Insured person"** means:
 - a. **you** or a **relative**;
 - b. any person ~~occupying~~ **while operating** a **covered watercraft**, ~~and~~ with the permission of **you** or a **relative**;
 - c. any person **occupying**, but not operating, a **covered watercraft** or a **trailer**; and
 - d. any person who is entitled to recover damages covered by this Part III because of **bodily injury** sustained by a person described in a, b, or ~~bc~~ above.
2. **"Uninsured watercraft"** means a watercraft ~~of any type~~:
 - a. to which no bodily injury liability bond or policy applies at the time of the accident;
 - b. to which a bodily injury liability bond or policy applies at the time of the accident, but the bonding or insuring company:
 - (i) denies coverage; or
 - (ii) is or becomes insolvent;
 - c. that is a hit-and-run watercraft whose operator or owner cannot be identified and which strikes:
 - (i) **you** or a **relative**;
 - (ii) a watercraft that **you** or a **relative** are **occupying**; or
 - (iii) ~~a covered watercraft~~ **or trailer**;provided that the **insured person**, or someone on his or her behalf, reports the accident to the coast guard, police, or other civil authority within ~~twenty-four (24)~~ hours or as soon as practicable after the accident; or
 - d. to which a **bodily injury** liability bond or policy applies at the time of the accident, but the sum of all applicable limits of liability for bodily injury is less than the coverage limit for Uninsured Boater Coverage shown on the ~~Declarations Page~~ **declarations page**.

An **"uninsured watercraft"** does not include any watercraft ~~or trailer~~ **or equipment**:

- a. owned by **you** or a **relative** ~~or furnished or available for the regular use of~~ **you** or a **relative**;

- b. owned or operated by a self-insurer, except a self-insurer that is or becomes insolvent;
- c. while ~~being used~~ located for use as a permanent or primary residence;
- d. owned by any governmental unit or agency; ~~or~~
- e. ~~shown on the Declarations Page of this policy.~~ that is a **covered watercraft or trailer**; or
- f. that is being towed by or carried by a land motor vehicle.

EXCLUSIONS - READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART III.

Coverage under this Part III ~~is not provided for~~ **bodily injury** sustained by any person while using or **occupying**; will not apply to:

1. **bodily injury** sustained by any person while using or **occupying** a **covered watercraft or trailer** while being used ~~for commercial or business purposes~~;
2. ~~a covered watercraft while being used.~~ to carry persons or property for compensation or a fee;
 - b. in any illegal transportation or trade; or
3. ~~a watercraft in any pre-arranged or organized racing, speed or demolition contest, stunting activity, or in practice or preparation for any such contest or activity. However, this C.~~ in any business or occupation.
This exclusion does not apply to **bodily injury** resulting from the use of a ~~sailboat in any prearranged or organized racing or speed contest, or in practice or preparation for any such contest~~;
4. ~~a para-sail, kite-ski, or any other device designed for flight;~~
5. ~~a covered watercraft while rented to others; or trailer for tournament fishing;~~
6. ~~a covered watercraft without the express or implied permission of you or a relative;~~
7. ~~a non-owned watercraft without the express or implied permission of the owner; or~~
8. ~~any watercraft owned~~ **bodily injury** sustained by any person while using or **occupying** a watercraft or trailer that is owned by or available for the regular use of **you** or a **relative**. This exclusion does not apply to a **covered watercraft or trailer** that is insured under this Part III;
3. **bodily injury** sustained by **you** or a **relative** ~~that is not~~ while using any watercraft or trailer, other than a **covered watercraft** or **trailer**, without the permission of the owner of the watercraft or trailer or the person in lawful possession of the watercraft or trailer;

~~Coverage under this Part III will not apply~~ 4. directly or indirectly ~~to~~ benefit any insurer or self-insurer under any of the following or similar laws:

1. ~~workers'~~ a. **workers'** compensation law;
- 2b. disability benefits law; ~~or~~
- 3c. Jones Act; or
- d. Federal Longshoremen's and Harbor Workers' Compensation Act;
5. any **punitive or exemplary** damages;
6. **bodily injury** sustained by any person if that person or the legal representative of that person settles without **our** written consent;
7. **bodily injury** sustained by any person resulting from, or sustained during practice or preparation for:
 - a. any pre-arranged or organized racing, stunting, speed or demolition contest or activity; or
 - b. any driving, riding, navigation, piloting or boating activity conducted on a permanent or temporary racecourse.

This exclusion does not apply to **bodily injury** resulting from the use of a sailboat in any pre-arranged or organized racing or speed contest, or in practice or preparation for any such contest;

8. **bodily injury** sustained by any person while using or **occupying**:
 - a. a para-sail, kite ski, or any other device designed for flight;
 - b. a **covered watercraft** or **trailer** while leased or rented to others or given in exchange for any compensation; or
 - c. a **covered watercraft** or **trailer** without the express or implied permission of **you**, a **relative**, or the owner of the **covered watercraft or trailer**; or
9. any accident involving a watercraft or trailer that is being towed by or carried by a land motor vehicle.

LIMITS OF LIABILITY

The limit of liability shown on the ~~Declarations Page~~ **declarations page** for ~~the coverage afforded under this Part III~~ **Uninsured Boater Coverage** is the most **we** will pay ~~for any one accident~~ regardless of the number of:

1. claims made;
2. **covered watercraft**;
3. **insured persons**;
4. lawsuits brought;
5. watercraft ~~or trailers~~ involved in the accident;
6. premiums paid; or
7. ~~7. trailers.~~

~~If the Declarations Page~~ **If the declarations page** shows that ~~"combined single limit"~~ or ~~"CSL"~~ applies, the amount shown is the most **we** will pay for all damages ~~due to bodily injury sustained in~~ **resulting from** any one accident. However, without changing this total ~~"each accident"~~ limit of liability, **we** will comply with any law that requires **us** to provide any separate limits.

~~If your Declarations Page~~ **If your declarations page** shows a split limit:

1. the amount shown for ~~"each person"~~ is the most **we** will pay for all damages due to **bodily injury** to one person; and
2. subject to the ~~"each person" limit, the amount shown for "each person" limit, the amount shown for "each accident"~~ is the most **we** will pay for all damages due to **bodily injury** sustained by two or more persons in any one accident.

The ~~bodily injury~~ **"each person"** limit of liability ~~under this Part III for "each person"~~ includes the total of all claims made for **bodily injury** to an **insured person** and all claims of others derived from such **bodily injury**, including, but not limited to, emotional injury or mental anguish resulting from the **bodily injury** of another or from witnessing the **bodily injury** to another, loss of society, loss of companionship, loss of services, loss of consortium, and wrongful death.

The Limits of Liability under this Part III shall be reduced by all sums:

1. paid because of **bodily injury** by or on behalf of any persons or organizations that may be legally responsible, ~~including, but not limited to, all sums~~;
2. paid ~~or payable~~ under Part I - Liability To Others; ~~and~~
2. ~~paid or payable under Part II - Medical Payments Coverage; and~~
3. paid or payable because of **bodily injury** under any of the following or similar laws:
 - ~~a.~~ ~~workers'~~ **a. workers'** compensation law; ~~or~~
 - ~~b.~~ **b.** disability benefits law;

~~Any payment made to a person under this Part III shall reduce any amount that the person is entitled to recover under Part I - Liability To Others.~~

- c. Jones Act; or
- d. Federal Longshoremen's and Harbor Workers' Compensation Act.

We will not pay under this Part III any expenses paid or payable under Part II - Medical Payments Coverage.

No one will be entitled to duplicate payments for the same elements of damages.

~~Any judgment or settlement for damages against an operator or owner of an uninsured watercraft that arises out of a lawsuit brought without our written consent is not binding on us.~~ If multiple boat and personal watercraft policies issued by us are in effect for you, we will pay no more than the highest limit of liability for this coverage available under any one policy.

OTHER INSURANCE

If there is other applicable uninsured or underinsured boater coverage or similar coverage, we ~~shall~~ will pay only our share of the damages. Our share is the proportion that our limit of liability bears to the total of all available coverage limits. However, any insurance we provide ~~shall~~ with respect to a watercraft that is not a covered watercraft, or with respect to a trailer that is not a trailer, will be excess over any other uninsured or underinsured boater coverage or similar coverage, ~~except for bodily injury to you or a relative when occupying a covered watercraft.~~

~~We will not pay for any damages that would duplicate any payment made for damages under other insurance.~~

ARBITRATION

If we and an insured person cannot agree on:

1. the legal liability of the operator or owner of an uninsured watercraft; or
2. the amount of the damages sustained by the insured person;

this will be determined by arbitration if we and the insured person mutually agree to arbitration prior to the expiration of the bodily injury statute of limitations in the state in which the accident occurred.

~~If we and the insured person agree to~~ In the event of arbitration, each party ~~shall~~ will select an arbitrator. The two arbitrators will select a third. If the two arbitrators cannot agree on a third arbitrator within ~~thirty~~ (30) days, then on joint application by the insured person and us, the third arbitrator will be appointed by a court having jurisdiction.

Each party will pay the costs and fees of its arbitrator and any other expenses ~~such party~~ it incurs. The costs and fees of the third arbitrator will be shared equally.

Unless both parties agree otherwise, arbitration will take place in the county in which the insured person resides. Local rules of procedure and evidence will apply.

A decision agreed to by two of the arbitrators will determine ~~whether the insured person is legally entitled to recover damages, and the amount of damages,;~~

1. the legal liability of the operator or owner of an uninsured watercraft; and
2. the amount of the damages sustained by the insured person;

but will not be binding on either the **insured person** or **us**.

The arbitrators ~~shall~~will have no authority to award an amount in excess of the ~~Limit of Liability-~~limit of liability.

We and an **insured person** may agree to an alternate form of arbitration.

PART IV - PHYSICAL DAMAGE COVERAGE

INSURING AGREEMENT - ~~COMPREHENSIVE AND~~ COLLISION COVERAGE

~~Subject to the Limits of Liability, if you pay the premium for Comprehensive and Collision Coverage for a covered watercraft, we will pay for a comprehensive loss to that covered watercraft and for loss to that covered watercraft when it collides with another object.~~ If you pay the premium for this coverage, we will pay for sudden, direct and accidental loss to a **covered watercraft** resulting from **collision**.

~~A COMPREHENSIVE LOSS IS A LOSS TO A COVERED WATERCRAFT CAUSED BY ANY EVENT OTHER THAN COLLISION WITH ANOTHER OBJECT, INCLUDING, BUT NOT LIMITED TO, ANY OF THE FOLLOWING:~~ INSURING AGREEMENT - COMPREHENSIVE COVERAGE

If you pay the premium for this coverage, we will pay for sudden, direct and accidental loss to a **covered watercraft** that is not caused by **collision**.

A loss not caused by **collision** includes:

1. impact with an animal (including a bird);
2. explosion or earthquake;
3. fire;
4. malicious mischief or vandalism;
5. missiles or falling objects;
6. riot or civil commotion;
7. theft or larceny;
8. windstorm, hail, water, or flood; or
9. breakage of glass— not caused by **collision**.

ADDITIONAL DEFINITIONS

When used in this Part IV:

1. **"Agreed value"** means the **"agreed value"** as shown on the ~~Declarations Page.~~ **declarations page**.
2. **"Collision"** means the upset of a watercraft or trailer or its impact with another watercraft or object. **Collision** includes those collisions caused by the failure of a line or mooring device securing a **watercraft**, other than such failures resulting from a:
 - a. windstorm;
 - b. flood;
 - c. hailstorm;
 - d. rainstorm; or
 - e. thunderstorm or other weather event;for which a governmental agency issued a watch, warning, advisory or similar notice.
3. **"Covered watercraft"** means a **"covered watercraft"** as defined in the **"General Definitions"** section of this policy, including the following components:
 - a. **motor(s)**;
 - b. **permanent equipment** even if temporarily stored ashore;
 - c. **portable boating equipment** while used with the **covered watercraft** or while temporarily stored ~~on~~ ashore; and
 - d. ~~trailer if you have requested, and paid the premium for,~~ **trailer coverage**.

~~3.~~ **4. "Purchase price:"** means the "purchase price" as shown on the ~~Declarations Page.~~ **declarations page.**

~~4.~~ **"Total loss" means:**

- ~~a.~~ the theft of a **covered watercraft**, if the **covered watercraft** is not recovered within thirty (30) days; or
- ~~b.~~ any other **loss** to the **covered watercraft** that is payable under this Part IV, if the cost to repair the damage (including parts and labor), when combined with the salvage value of the **covered watercraft**, exceeds the actual cash value of the **covered watercraft** at the time of the **loss**.

EXCLUSIONS - READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART IV.

Coverage under this Part IV ~~does~~ will not apply ~~to any~~ for loss:

1. ~~while a covered~~ to any watercraft ~~is or trailer while~~ being used ~~for commercial or business purposes;~~
 - ~~2.~~ ~~while a covered watercraft is being used.~~ to carry persons or property for compensation or a fee;
 - b. in any illegal transportation or trade; or
 - c. in any business or occupation.This exclusion does not apply to use of a **covered watercraft** or **trailer** for tournament fishing;
2. to any watercraft or trailer caused by, or reasonably expected to result from, a criminal act or omission of **you**, a **relative**, or the owner of a **covered watercraft**. This exclusion applies regardless of whether **you**, the **relative**, or the owner of the **covered watercraft** is actually charged with, or convicted of, a crime. For purposes of this exclusion, criminal acts or omissions do not include violations of laws or regulations governing the operation of watercraft, provided such violations are not punishable by imprisonment or incarceration;
3. that occurs because a **covered watercraft** is not in **seaworthy** condition;
4. resulting from, or sustained during practice or preparation for:
 - a. any pre-arranged or organized racing, **stunting**, speed or demolition contest, ~~stunting~~ or activity; ~~or in practice or preparation for any such contest or activity. However, this~~
 - b. any driving, riding, navigation, piloting or boating activity conducted on a permanent or temporary racecourse.This exclusion does not apply to loss resulting from the use of a sailboat in any pre-arranged or organized racing or speed contest, or in practice or preparation for any such contest;
5. ~~due to a nuclear reaction or radiation;~~
- ~~6.~~ to any watercraft or trailer for which insurance:
 - a. is afforded under a nuclear energy liability insurance contract; or
 - ~~7~~ b. would be afforded under a nuclear energy liability insurance contract but for its termination upon exhaustion of its limit of liability;
6. due to destruction or confiscation of a **covered watercraft** by governmental or civil authorities because **you** or any **relative** engaged in illegal activities;
- ~~8~~7. caused by an intentional act ~~by you or a relative~~ committed by or at the direction of **you** ~~or,~~ a **relative**, or the owner of a **covered watercraft**, even if the actual damage is different than that which was intended or expected;
- ~~9~~8. caused directly or indirectly by:
 - a. wear and tear;
 - b. gradual deterioration of any kind including, but not limited to, weathering, rust, corrosion, mold, wet or dry rot, osmosis, delamination or blistering;
 - c. dock rash or other gradual marring or scratching;

- d. mechanical, electrical, or structural breakdown, except for subsequent loss by fire or explosion; or
 - e. any design, manufacturing or latent defect;
- of any watercraft. This exclusion does not apply:
- a. if the damage results from the theft of a **covered watercraft**; or
 - b. to loss caused by mold or mildew if such loss is caused by any other loss covered under this Part IV;
9. due and confined to:
- a. wear and tear;
 - b. ~~smog, humidity, mildew, mold, freezing, thawing, or extremes of temperature;~~
 - ~~c. gradual deterioration of any kind including, but not limited to, weathering, rust, corrosion, mold, wet or dry rot, osmosis, delamination or blistering;~~
 - ~~d. dock rash or other gradual marring or scratching;~~
 - ~~e. mechanical, electrical, or structural break down, except for subsequent loss by fire or explosion; breakdown; or~~
 - ~~f.c. any design, manufacturing or latent defect; or~~
 - ~~g of any trailer;~~
10. caused directly or indirectly by:
- a. insects, birds or other animals, including rodents and other types of vermin, ~~or marine life.~~
- ~~However, this exclusion does not apply:~~
- ~~a. if unless the damage results from the theft of a covered watercraft; or~~
 - ~~b. to sustaining the loss was secured with a fitted cover at the time of the loss;~~
 - b. marine life; or
 - c. smog, humidity, mildew, mold, freezing, thawing, or extremes of temperature.
- This exclusion does not apply to loss:
- a. resulting from impact with an animal; or
 - b. caused by mold or mildew if such loss is caused by any other loss covered under this Part IV;
- ~~11.~~ 11. due to theft or conversion of a **covered watercraft**:
- ~~a.~~ a. by **you**, a **relative**, or any resident of **your** household;
 - ~~b.~~ b. prior to its delivery to **you** or a **relative**; or
 - c. while on a trailer and in the care, custody, or control of anyone engaged primarily in the business of selling the **covered watercraft** while the **covered watercraft** is left in an unsecured condition or location for purposes of selling;
- ~~12.~~ 12. to any personal property other than a **covered watercraft**;
- ~~13.~~ 13. to a **covered watercraft** for diminution of value;
- ~~14.~~ 14. to a **covered watercraft** while it is leased or rented to others; ~~or given in exchange for any compensation. This exclusion does not apply to the operation of a covered watercraft by you or a relative;~~
- ~~15.~~ 15. to a **covered watercraft** if repairs are made in Mexico, ~~unless the covered watercraft must be repaired~~ except for those repairs that must be performed in Mexico in order to ~~be returned~~ return the **covered watercraft** to the United States;
- ~~16.~~ 16. caused directly or indirectly by:
- ~~a.~~ a. war (declared or undeclared), ~~including~~ or civil war;
 - ~~b.~~ b. warlike action by any military force of any government, sovereign or other authority using military personnel or agents. This includes any action taken to hinder or defend against an actual or expected attack; or
 - ~~c.~~ c. insurrection, rebellion, revolution, usurped power, or any action taken by a governmental authority to hinder or defend against any of these acts;

- ~~d.~~17. to any **covered watercraft** caused directly or indirectly by:
 - a. any accidental or intentional discharge, dispersal or release of radioactive, nuclear, pathogenic, or poisonous ~~biological~~ material; or
 - ~~e.~~b. any intentional discharge, dispersal or release of chemical or hazardous material for any purpose other than its safe and useful purpose; or
- 18. arising out of an accident while using a **watercraft** as a primary or permanent residence.

LIMITS OF LIABILITY

1. ~~Our~~The limit of liability for loss to a **covered watercraft** ~~shall be~~ is the lowest of:
 - ~~a.~~ the actual cash value of the stolen or damaged property at the time of the loss, reduced by the applicable deductible ~~shown on the Declarations Page, and by its salvage value if you or the owner retain the salvage;~~. If the stolen or damaged property was an **additional watercraft** or **replacement watercraft**, the actual cash value for purposes of this subparagraph a. will not exceed the watercraft value shown on **your declarations page** unless **you** have notified **us** of the **additional watercraft** or **replacement watercraft** and paid any additional premium due;
 - ~~b.~~ the amount necessary to replace the stolen or damaged property, reduced by the applicable deductible ~~shown on the Declarations Page, and by its salvage value if you or the owner retain the salvage;~~;
 - ~~c.~~ the amount necessary to repair the damaged property to its pre-loss condition, reduced by the applicable deductible ~~shown on the Declarations Page;~~ or
 - ~~d.~~ the amount shown on the ~~Declarations Page for Comprehensive and Collision Coverage~~**declarations page** for that **covered watercraft**, ~~reduced by its salvage value if you or the owner retain the salvage;~~.
2. Payments for loss ~~covered under this Part IV~~ to a **covered watercraft** are subject to the following provisions:
 - ~~a.~~ ~~a~~Coverage for **permanent equipment** and **portable boating equipment** will not cause **our** limit of liability for loss to a **watercraft** under this Part IV to be increased to an amount in excess of the actual cash value of the **watercraft**, including its **permanent equipment** and **portable boating equipment**.
 - b. A deductible of \$250 shall apply to each loss to a **trailer** if **you** have paid the premium for trailer coverage. However, no deductible for loss to a **trailer** shall apply if **you** have incurred a deductible under Comprehensive ~~and Coverage~~ or Collision Coverage for the same loss~~;~~.
 - ~~b.~~~~a.~~ A deductible of \$500 shall apply to each loss to **marine electronics**. However, no deductible for loss to **marine electronics** shall apply if **you** have incurred a deductible under Comprehensive ~~and Coverage~~ or Collision Coverage for the same loss~~;~~.
 - ~~c.~~~~if d.~~ If two or more deductibles apply to any one covered loss, only the ~~highest~~**lowest** deductible will apply~~;~~.
 - ~~d.~~ ~~no more than one deductible shall apply to any one covered loss;~~
 - ~~e.~~ ~~in~~In determining the amount necessary to repair damaged property to its pre-loss condition, the amount to be paid by **us**:
 - ~~(i)~~ ~~shall~~will not exceed the prevailing competitive labor rates charged in the area where the property is to be repaired, and the cost of repair or replacement parts and equipment, as reasonably determined by **us**; and
 - ~~(ii)~~ will be based on the cost of repair or replacement parts and equipment which may be new, reconditioned, remanufactured, or used, including, but not limited to:
 - ~~(a)~~ original manufacturer parts or equipment; and
 - ~~(b)~~ nonoriginal manufacturer parts or equipment~~;~~.

- f. ~~the~~**The** actual cash value is determined by the market value, age, and condition of the **covered watercraft** at the time ~~of the loss;~~ **occurs**.
 - g. ~~duplicate recovery under this policy for the same elements of loss is not permitted; and~~
 - h. **IN THE REPAIR OF YOUR COVERED WATERCRAFT UNDER THE PHYSICAL DAMAGE COVERAGE PROVISIONS OF THIS POLICY, WE MAY REQUIRE OR SPECIFY THE USE OF PARTS NOT MADE BY THE ORIGINAL MANUFACTURER. THESE PARTS ARE REQUIRED TO BE AT LEAST EQUAL; IN TERMS OF FIT, QUALITY, PERFORMANCE, AND WARRANTY; TO THE ORIGINAL MANUFACTURER PARTS THEY REPLACE.**
3. If there is more than one **covered watercraft**, coverage will be provided as specified on the **Declarations Page**~~declarations page~~ as to each **covered watercraft**.
 4. In the event of a loss to an inflatable **covered watercraft**, we will pay for repairs made in accordance with the ~~manufacturer's~~**manufacturer's** specifications or accepted repair practices, including repairs by airtight patch or similar method.
 5. ~~Duplicate recovery for the same elements of damages is not permitted.~~

INSURING AGREEMENT - TOTAL LOSS REPLACEMENT/PURCHASE PRICE COVERAGE

If **you** pay the premium for ~~Total Loss Replacement/Purchase Price Coverage~~**this coverage**, then subsection 1 of the Limits of Liability provision under this Part IV shall not apply, and the following provision shall apply to a loss to a **covered watercraft**:

1. The limit of liability for a **covered watercraft** for which Total Loss Replacement/Purchase Price Coverage was purchased is as follows:
 - a. for a total loss to a **covered watercraft**:
 - (i) if the **covered watercraft** is, at the time of the total loss, the current model year, or the first through fourth preceding model year, and:
 - (a) **you** choose to replace the **covered watercraft**, **our** limit of liability shall be the cost, as determined by **us**, of a new **watercraft** that is, to the extent possible, the same make, class, size, and type, and which contains comparable equipment to the **covered watercraft**; or
 - (b) **you** choose not to replace the **covered watercraft**, **our** limit of liability shall be the **purchase price** ~~shown on the~~ **Declarations Page** for the **covered watercraft**, ~~reduced by its salvage value if **you**; or the **owner** retain the salvage; or~~
 - (ii) if the **covered watercraft** is, at the time of the total loss, the fifth preceding model year or older, **our** limit of liability shall be the **purchase price** ~~shown on the~~ **Declarations Page**, ~~reduced by its salvage value if **you** or the **owner** retain the salvage; ;~~
 - b. for a loss to a **covered watercraft**, other than a total loss~~;~~, **our** limit of liability is the lowest of:
 - (i) ~~our~~ limit of liability is the lowest of:
 - (a) the amount necessary to replace the stolen or damaged property, reduced by the applicable deductible ~~shown on the~~ **Declarations Page**, and by its salvage value if **you** or the **owner** retain the salvage; ;
 - (b) ~~(ii)~~ the amount necessary to repair the damaged property to its pre-loss condition, reduced by the applicable deductible ~~shown on the~~ **Declarations Page**; or
 - (c) ~~(iii)~~ the **purchase price** for the **covered watercraft** ~~shown on the~~ **Declarations Page**, reduced by its salvage value if **you** or the **owner** retain the salvage; and.

- ~~(ii) no adjustment for depreciation will be made in determining the limit of liability on a covered watercraft manufactured less than five (5) years before the date of loss, with the following exceptions: batteries, sails, plastic and canvas coverings, including all weather bridge and cockpit enclosures and dodgers, or components of any of the preceding items.~~

INSURING AGREEMENT - AGREED VALUE COVERAGE

If **you** pay the premium for ~~Agreed Value Coverage~~, **this coverage**, then subsection 1 of the Limits of Liability provision under this Part IV shall not apply, and the following provision shall apply to a **sudden, direct and accidental** loss to a **covered watercraft**:

1. The limit of liability for a **covered watercraft** for which Agreed Value Coverage was purchased is as follows:
 - ~~a.~~ for a total loss to a **covered watercraft**, **our** limit of liability is the **agreed value** for the **covered watercraft** ~~shown on the **Declarations Page**, reduced by its salvage value if **you** or the **owner** retain the salvage;~~;
 - b. for a loss to a **covered watercraft**, other than a total loss:
 - ~~(i)~~, **our** limit of liability is the lowest of:
 - ~~(a) (i)~~ the amount necessary to replace the stolen or damaged property, reduced by the applicable deductible ~~shown on the **Declarations Page**, and by its salvage value if **you** or the **owner** retain the salvage;~~;
 - ~~(b) (ii)~~ the amount necessary to repair the damaged property to its pre-loss condition, reduced by- the applicable deductible ~~shown on the **Declarations Page**; or~~
 - ~~(c) (iii)~~ the **agreed value** for the **covered watercraft** ~~shown on the **Declarations Page**, reduced by its salvage value if **you** or the **owner** retain the salvage;~~.
 - ~~(ii)~~ ~~no adjustment for depreciation will be made in determining the limit of liability on a covered watercraft manufactured less than five (5) years before the date of loss, with the following exceptions: batteries, sails, plastic and canvas coverings, including all weather bridge and cockpit enclosures and dodgers, or components of any of the preceding items; and~~
 - ~~c.~~ ~~IN THE REPAIR OF YOUR COVERED WATERCRAFT UNDER THE PHYSICAL DAMAGE COVERAGE PROVISIONS OF THIS POLICY, WE MAY REQUIRE OR SPECIFY THE USE OF PARTS NOT MADE BY THE ORIGINAL MANUFACTURER. THESE PARTS ARE REQUIRED TO BE AT LEAST EQUAL, IN TERMS OF FIT, QUALITY, PERFORMANCE AND WARRANTY, TO THE ORIGINAL MANUFACTURER PARTS THEY REPLACE.~~

INSURING AGREEMENT - WRECKAGE REMOVAL COVERAGE

~~Subject to the Limits of Liability, if~~ **you** pay the premium for ~~Comprehensive and Collision Coverage and Comprehensive Coverage~~, **we** will pay reasonable costs incurred by **you** for any attempted or actual raising, removal, **towing**, or destruction of the wreckage of a **covered watercraft** resulting from any **sudden, direct and accidental** loss for which ~~Comprehensive and Collision Coverage or Comprehensive Coverage~~ is provided under this Part IV.

If **you** are legally required to raise, remove, ~~or destroy the wreckage~~, **our** limit of liability for costs incurred, when added to the amount payable under this Part IV for damage to the **covered watercraft**, shall not exceed the sum of:

- ~~1. the limit of liability for **property damage** coverage, if any, shown on the **Declarations Page** for such **covered watercraft**;~~
- ~~2. the **agreed value**, **purchase price**, or amount shown on the **Declarations Page** for Comprehensive and Collision Coverage for the **covered watercraft**, reduced by its salvage value if **you** or the **owner** retain the salvage; and~~
- ~~3. five percent (5%) of the **agreed value**, **purchase price**, or amount shown on the **Declarations Page** for~~

~~Comprehensive and Collision Coverage for the covered watercraft.~~

~~If you are not legally required to raise, remove, tow, or destroy the wreckage, our~~ limit of liability for costs incurred, when added to the amount payable under this Part IV for damage to the **covered watercraft**, shall not exceed the sum of:

1. the limit of liability for **property damage** coverage, if any, shown on the **declarations page** for such **covered watercraft**;
2. the **agreed value, purchase price**, or amount shown on the **declarations page** for that **covered watercraft**; and
3. five percent of the **agreed value, purchase price**, or amount shown on the **declarations page** for that **covered watercraft**.

~~If you are not legally required to raise, remove, tow, or destroy the wreckage, our~~ limit of liability for costs incurred, when added to the amount payable under this Part IV for damage to the **covered watercraft**, shall not exceed the sum of:

1. the **agreed value, purchase price**, or amount shown on the ~~Declarations Page~~**declarations page** for ~~Comprehensive and Collision Coverage for the~~**that covered watercraft**, ~~reduced by its salvage value if you or the owner retain the salvage~~; and
2. five percent (5%) of the **agreed value, purchase price**, or amount shown on the ~~Declarations Page~~**declarations page** for ~~Comprehensive and Collision Coverage for the~~**that covered watercraft**.

INSURING AGREEMENT - MEXICO COVERAGE

In addition to the territory specified in ~~the "Part VIII - General Provisions" section of this policy~~, if you pay the premium for ~~Comprehensive and Collision Coverage~~ and **Comprehensive Coverage**, coverage under this Part IV shall apply to any loss **meeting the requirements for coverage under this Part IV** that occurs within any state, territory, or possession of Mexico, including ocean waters within ~~seventy-five (75)~~ **75** nautical miles of its coast. ~~However, payment~~ **Payment** for ~~such a any loss covered under this Part IV that occurs in Mexico~~ will be made in the United States, ~~even though the loss occurred in Mexico.~~ If a **covered watercraft** must be repaired in Mexico in order to be returned to the United States, we will pay only for those repairs that must be performed in Mexico in order to return the **covered watercraft** to the United States and we will not pay more than the reasonable cost for such repairs usually charged at the nearest port of call in the United States where the repairs could have been made.

This Mexico Coverage does not apply if liability insurance from a licensed Mexican insurance company is not in force at the time of loss.

WARNING: WATERCRAFT ACCIDENTS IN MEXICO ARE SUBJECT TO THE LAWS OF MEXICO, NOT THE LAWS OF THE UNITED STATES. **UNDER MEXICAN LAW, WATERCRAFT ACCIDENTS ARE CONSIDERED A CRIMINAL OFFENSE, AS WELL AS A CIVIL MATTER. YOU ARE REQUIRED TO PURCHASE LIABILITY INSURANCE THROUGH A LICENSED MEXICAN INSURANCE COMPANY. THE COVERAGE WE PROVIDE UNDER THIS POLICY DOES NOT MEET MEXICAN INSURANCE REQUIREMENTS.**

INSURING AGREEMENT - WATERCRAFT EMERGENCY TOWING AND LABOR COVERAGE

~~Subject to the limit of liability shown on the~~ **Declarations Page**, if you pay the premium for ~~Watercraft Emergency Towing and Labor Coverage~~**this coverage**, we will reimburse you for towing and labor costs, and the

delivery costs for parts and supplies, **that are** incurred by **you** as a result of the disablement of a **covered watercraft** while afloat, provided that:

1. the labor is performed at the place of disablement; and
2. the disablement does not occur where the **covered watercraft** is usually kept.

We will not reimburse **you** for the cost of the parts and supplies ~~themselves~~.

A deductible does not apply to this coverage.

Duplicate recovery for identical elements of damages is not permitted under this policy.

INSURING AGREEMENT - ROADSIDE ASSISTANCE COVERAGE

If Roadside Assistance Coverage is shown on the ~~Declarations Page, then in the event of~~ **declarations page**, **we will pay for our** authorized service representative to provide the following services when necessary **due to** a **covered emergency** while **your covered watercraft** is being towed **by** or carried by a land motor vehicle or being loaded or unloaded from its **trailer**; ~~we will pay for our authorized service representative to provide:~~

1. towing of the motor vehicle ~~and covered watercraft~~ **and (including trailer)** to the nearest qualified repair facility; and
2. labor on the motor vehicle and/or **trailer** at the place of disablement; ~~which is necessary due to the covered emergency.~~

If the motor vehicle ~~and covered watercraft~~ **and (including trailer)** are towed to any place other than the nearest qualified repair facility, **you** will be responsible for any additional ~~mileage~~ charges incurred.

~~Roadside assistance will be provided by our authorized service provider. If a covered emergency occurs, you may request roadside assistance by calling the toll free number we provide to you.~~

As used in this Roadside Assistance Coverage, **"covered emergency"** means a disablement of a motor vehicle or **trailer** that results from:

1. mechanical or electrical breakdown;
2. battery failure;
3. insufficient supply of fuel, oil, water, or other fluids; ~~;~~
4. a flat tire;
5. lock-out; or
6. entrapment in snow, mud, ~~or sand~~ within ~~one hundred (100)~~ feet of a road or highway.

Roadside Assistance Coverage ~~does~~ **will** not apply to:

1. the cost of purchasing parts, fluid, lubricants, fuel, or replacement keys, or the labor to make replacement keys;
2. ~~the cost of~~ installation of products and materials not related to the disablement;
3. labor not related to the disablement;
4. labor for any time period in excess of ~~sixty (60)~~ minutes per disablement;
5. ~~any and all fines;~~
6. ~~expenses incurred for transportation or temporary living expenses;~~
7. towing or storage ~~charges~~ related to impoundment, abandonment, illegal parking, or other violations of law;
8. assistance with jacks, levelers, airbags, or awnings;

- 97. damage or disablement due to fire, flood, or vandalism;
- 408. towing from a service station, garage, or repair shop;
- 449. labor or repair work performed at a service station, garage, or repair shop;
- ~~12. towing or labor by a service provider not authorized by us;~~
- 4310. vehicle storage charges;
- 4411. a second service call or tow for a single disablement;
- 4512. disablement that occurs on roads not regularly maintained, sand beaches, open fields, or areas designated as not passable due to construction, ~~-,~~ weather, or earth movement;
- 4613. mounting or removing of snow tires or chains;
- 4714. tire repair;
- 4815. repeated service calls for a motor vehicle or **trailer** in need of routine maintenance or repair;
- 4916. disablement that results from an intentional or willful act or action by **you**, a **relative** ~~or any person using a~~, or the operator of the motor vehicle or **trailer**;
- 2017. off-road vehicles which are not subject to motor vehicle registration and licensing; or
- 2418. motor vehicles or trailers used for business or commercial purposes.

When service is rendered by a provider in the business of providing roadside assistance and towing services, other than one of **our** authorized service representatives, **we** will pay only reasonable charges, as determined by **us**, for:

1. towing of a motor vehicle and **covered watercraft** (including **trailer**) to the nearest qualified repair facility; and
 2. labor on a motor vehicle and/or **trailer** at the place of disablement;
- which is necessary due to a **covered emergency**.

Any coverage provided under this Roadside Assistance Coverage for service rendered by an unauthorized service provider will be excess over any other collectible insurance or towing protection coverage.

INSURING AGREEMENT - DISAPPEARING DEDUCTIBLES

If **you** pay the premium for either Agreed Value Coverage or Total Loss Replacement/Purchase Price Coverage, the following is added to the Limits of Liability provision under this Part IV:

If, during any policy period, **you** do not have a loss under Comprehensive ~~and~~Coverage or Collision Coverage for which **we** have paid any amount, then:

- 1. any deductible for Comprehensive Coverage and Collision Coverage for a **watercraft** with Agreed Value Coverage or Total Loss Replacement/Purchase Price Coverage shall be reduced for the following policy period by ~~twenty-five~~25 percent ~~(25%)~~; and
- 2. no deductible for Comprehensive Coverage and Collision Coverage for a **watercraft** with Agreed Value Coverage or Total Loss Replacement/Purchase Price Coverage will apply for the fifth policy period and thereafter if **you** do not have any ~~losses on any~~ **watercraft or trailer losses** during the previous four ~~(4)~~ consecutive policy periods.

If **you** have a loss at any time for which **we** make a payment under Comprehensive ~~and~~Coverage or Collision Coverage for any **watercraft or trailer**, then the most recent elected ~~deductible~~ deductibles for Comprehensive Coverage and Collision Coverage will be restored for the subsequent policy period. Thereafter, the ~~deductible~~ deductibles may again be reduced if the conditions set forth above are satisfied.

Reductions and increases in the deductible under this provision shall apply to all **covered watercraft** with Agreed Value Coverage or Total Loss Replacement/Purchase Price Coverage.

The provisions in this policy regarding Disappearing Deductibles will not apply to any deductible for loss to **marine electronics**.

PAYMENT OF LOSS

We may, at our option:

1. pay for the loss in money; or
2. repair or replace the damaged or stolen property.

At our expense, we may return any recovered stolen property to you or to the address shown on the ~~Declarations Page~~**declarations page**, with payment for any damage resulting from the theft. We may keep all or part of the property at the agreed or appraised value.

We may settle any loss with you or the owner or lienholder of the property.

SALVAGE

If we pay the actual cash value of **your covered watercraft** less the deductible, or if we pay the amount necessary to replace **your covered watercraft** less the deductible, we are entitled to all salvage. If **your covered watercraft** is a total loss and we pay the applicable limit of liability shown on the **declarations page**, we are entitled to the same percent of salvage as our payment bears to the actual cash value of **your covered watercraft**.

NO BENEFIT TO BAILEE

Coverage under this Part IV will not directly or indirectly benefit any carrier or other bailee for hire.

LOSS PAYEE AGREEMENT

Payment under this Part IV for a total loss to a **covered watercraft** will be made according to your interest and the interest of any Loss Payee or lienholder shown on the ~~Declarations Page~~**declarations page** or designated by you. Payment may be made to both jointly, or separately, at our discretion. We may make payment for a partial loss covered under this Part IV directly to the repair facility with your consent.

~~Where~~ The Loss Payee or lienholder's interest will not be protected where fraud, misrepresentation, material omission, or intentional damage has been committed by or at the direction of you or a **relative**, or where the loss is otherwise not covered under the terms of this policy, ~~the Loss Payee or lienholder's interest will not be protected.~~

We will be entitled to the Loss Payee or ~~lienholder's~~**lienholder's** rights of recovery, to the extent of our payment to the Loss Payee or lienholder.

OTHER ~~INSURANCE~~ SOURCES OF RECOVERY

~~If there is other applicable insurance~~ If other sources of recovery also cover the loss, we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits ~~of liability~~. However, any insurance that we provide for a **watercraft**, other than a **covered watercraft**, will be excess over any other collectible source of recovery including, but not limited to:

1. any coverage provided by the owner of ~~the non-owned~~ watercraft ~~and~~ other than a **covered watercraft**;
2. any other applicable physical damage insurance ~~;~~ and
3. any other source of recovery applicable to the loss.

APPRAISAL

If we cannot agree with you on the amount of a loss, then we and you may mutually agree to an appraisal of the loss. ~~If we and you agree~~ Within 30 days of any agreement to an appraisal, each party shall appoint a competent ~~and impartial~~ appraiser, and shall notify the other party of that appraiser's identity. The appraisers will determine the amount of loss. If they fail to agree, the disagreement will be submitted to a qualified ~~and impartial~~ umpire chosen by the appraisers. If the two appraisers are unable to agree upon an umpire within ~~fifteen (15)~~ days, we or you may request that a judge of a court of record, in the county where you reside, select an umpire. The appraisers and umpire will determine the amount of loss. The amount of loss agreed to by both appraisers, or by one appraiser and the umpire, will determine the amount payable under this Part IV, but will not be binding. You will pay your ~~appraiser's~~ appraiser's fees and expenses. We will pay our ~~appraiser's~~ appraiser's fees and expenses. All other expenses of the appraisal, including payment of the umpire if one is selected, will be shared equally between us and you. Neither you nor we waive any rights under this policy by agreeing to an appraisal.

PART V - REPLACEMENT COST PERSONAL EFFECTS COVERAGE

INSURING AGREEMENT ~~—REPLACEMENT COST PERSONAL EFFECTS COVERAGE~~

~~Subject to the Limit of Liability, if~~ **If you** pay the premium for ~~Replacement Cost Personal Effects Coverage~~ **this coverage**, we will pay for **sudden, direct and accidental** loss to **personal effects** and **non-owned personal effects** while in or on a **covered watercraft**.

No coverage is provided for theft of **personal effects** or **non-owned personal effects** unless such items are stolen from a locked compartment or cabin, the theft is supported by evidence of forcible entry, and the **insured person**, or someone on his or her behalf, reports the theft to the United States Coast Guard, the police, or other civil authority within ~~twenty-four (24)~~ hours or as soon as practicable after the loss.

ADDITIONAL DEFINITIONS

When used in this Part V:

1. **"Fishing equipment"** means any sport fishing gear and equipment ~~owned by you or a relative~~ that is used in the ~~legal~~ taking of fish for sport and recreation, or for personal consumption, including, but not limited to, rods, reels, lures, lines, and tackle boxes. **"Fishing equipment"** does not include **permanent equipment, portable boating equipment, or personal effects**.
2. **"Non-owned personal effects"** means clothing and other personal property, not owned by **you** or a **relative**, which is lawfully in the possession of **you** or a **relative**. **"Non-owned personal effects"** does not include:
 - a. money, ~~traveler's~~ **traveler's** checks, securities, evidence of debt, or valuable papers or documents;
 - b. jewelry, watches, gems, precious stones, silver, gold, or other precious metals;
 - c. antiques, fine arts, liquor or furs;
 - d. computer hardware and software;
 - e. any property used in **your** or a ~~relative's~~ **relative's** business or employment;
 - f. animals (including birds and fish);
 - g. **fishing equipment;**
 - h. **permanent equipment;** or
 - i. **portable boating equipment.**
3. **"Personal effects"** means clothing and other personal property owned by **you** or a **relative**. **"Personal effects"** does not include:
 - a. money, ~~traveler's~~ **traveler's** checks, securities, evidence of debt, or valuable papers or documents;
 - b. jewelry, gems, precious stones, watches, silver, gold, or other precious metals;
 - c. antiques, fine arts, liquor or furs;
 - d. computer hardware and software;
 - e. any property used in **your** or a ~~relative's~~ **relative's** business or employment;
 - f. animals (including birds and fish);
 - g. **fishing equipment;**
 - h. **permanent equipment;** or
 - i. **portable boating equipment.**

EXCLUSIONS - READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART V.

Coverage under this Part V does not apply to any loss to **personal effects** or **non-owned personal effects**:

1. while the **covered watercraft** is being used:
 - a. to carry persons or property for compensation or a fee;
 - b. for commercial or business purposes; or
- ~~2. while the covered watercraft is being used~~ c. in any illegal transportation or trade-;
- ~~3. that occurs because the covered watercraft is not in seaworthy condition;~~
- ~~4. resulting from any pre-arranged or organized racing, speed or demolition contest, stunting activity, or in practice or preparation for any such contest or activity. However,~~ Subparts a. and b. of this exclusion does not apply to ~~loss resulting from the~~ use of a **covered watercraft** for tournament fishing;
2. caused by, or reasonably expected to result from, a criminal act or omission of **you**, a **relative**, or the owner of the **non-owned personal effects**. This exclusion applies regardless of whether **you**, the **relative**, or the owner of the **non-owned personal effects** is actually charged with, or convicted of, a crime. For purposes of this exclusion, criminal acts or omissions do not include violations of laws or regulations governing the operation of watercraft, provided such violations are not punishable by imprisonment or incarceration;
3. that occurs because the **covered watercraft** is not in **seaworthy** condition;
4. resulting from, or sustained during practice or preparation for:
 - a. any pre-arranged or organized racing, stunting, speed or demolition contest or activity; or
 - b. any driving, riding, navigation, piloting or boating activity conducted on a permanent or temporary racecourse.This exclusion does not apply to loss resulting from the use of a sailboat in any pre-arranged or organized racing or speed contest, or in practice or preparation for any such contest;
5. due to a nuclear reaction or radiation;
6. for which insurance-:
 - a. is afforded under a nuclear energy liability insurance contract; or
 - b. would be afforded under a nuclear energy liability insurance contract but for its termination upon exhaustion of its limit of liability;
7. due to destruction or confiscation by governmental or civil authorities ~~of personal effects or non-owned personal effects~~ because **you** or any **relative** engaged in illegal activities;
8. caused by an intentional act ~~of you or a relative or~~ committed by or at the direction of **you** ~~or~~, a **relative** ~~;~~, or the owner of the **non-owned personal effects**, even if the actual damage is different than that which was intended or expected;
9. caused directly or indirectly by:
 - a. wear and tear;
 - ~~—b. smog, humidity, mildew, mold, freezing, thawing, or extremes of temperature;~~
 - c. gradual deterioration of any kind including, but not limited to, weathering, rust, corrosion, mold, wet or dry rot, osmosis or blistering, ~~however this exclusion does not apply to loss caused by mold if such loss is caused by any other loss covered under this Part V;~~
 - d.c. dock rash or other gradual marring or scratching;
 - e.d. mechanical, electrical, or structural breakdown, except for subsequent loss by fire or explosion; or
 - f.e. any **design**, manufacturing or latent defect; ~~or~~
 - ~~—g. insects, animals, vermin, or marine life.~~~~— However, this~~ of any watercraft or trailer. This exclusion does not apply:

- a. if the damage results from the theft of a **covered watercraft**; or
 - b. to loss caused by mold or mildew if such loss is caused by any other loss covered under this Part V;
10. ~~due to theft or conversion of **personal effects** or **non-owned personal effects** by you, a **relative**, or any resident of your household, or at the direction of you, a **relative**, or any resident of your household;~~
- ~~11. for diminution of value;~~
- ~~12. while the **covered watercraft** is rented to others;~~
- ~~13. caused directly or indirectly by:~~
- a. insects, birds or other animals, including rodents and other types of vermin, unless the **covered watercraft** where the **personal effects** or **non-owned personal effects** were located at the time of the loss was secured with a fitted cover at the time of the loss;
 - b. marine life; or
 - c. smog, humidity, mildew, mold, freezing, thawing, or extremes of temperature.
- This exclusion does not apply to loss:
- a. resulting from impact with an animal; or
 - b. caused by mold or mildew if such loss is caused by any other loss covered under this Part V;
11. due to theft or conversion of such **personal effects** or **non-owned personal effects**:
- a. by you, a **relative**, or any resident of your household; or
 - b. prior to their delivery to you or a **relative**;
12. for diminution of value;
13. while the **personal effects** or **non-owned personal effects**, or the **covered watercraft** which they are in or on, are leased or rented to others or given in exchange for any compensation. This exclusion does not apply when you or a **relative** are using the **personal effects**, **non-owned personal effects**, or the **covered watercraft** which the **personal effects** or **non-owned personal effects** are in or on;
14. caused directly or indirectly by:
- a. war (declared or undeclared), ~~including~~ or civil war;
 - b. warlike action by any military force of any government, sovereign or other authority using military personnel or agents. This includes any action taken to hinder or defend against an actual or expected attack; or
 - c. insurrection, rebellion, revolution, usurped power, or any action taken by a governmental authority to hinder or defend against any of these acts;
- ~~d.~~ 15. caused directly or indirectly by:
- a. any accidental or intentional discharge, dispersal or release of radioactive, nuclear, pathogenic, or poisonous ~~biological~~ material; or
 - e.b. any intentional discharge, dispersal or re-lease of chemical or hazardous material for any purpose other than its safe and useful purpose; or
- ~~14~~16. arising out of an accident while using a watercraft as a primary or permanent residence.

LIMITS OF LIABILITY

1. ~~Our~~The limit of liability for loss to **personal effects** and **non-owned personal effects** will be the lowest of:
- a. the amount necessary to replace the stolen or damaged property, reduced by any applicable deductible;
 - b. the amount necessary to repair the damaged property to its pre-loss condition, reduced by any applicable deductible;
 - c. any applicable limit set forth in subsection 2 or 3 below; or

- d. the amount shown on the ~~Declarations Page~~**declarations page** for Replacement Cost Personal Effects Coverage.
- ~~Our~~ The limit of liability for loss to part of a pair or set, series of objects, pieces or panels is the lowest of:
- a. the cost to repair or replace the part that restores the set to its value before the loss;
 - b. the difference between the actual cash value of the set before the loss and after the loss; or
 - c. the cost of a substitute part that reasonably matches the rest of the set.
- We have no obligation to replace the entire set if only ~~part~~**a portion** is lost or damaged.
2. ~~Our~~The limit ~~for~~**for the combined** loss to all **non-owned personal effects** in any one loss is the aggregate of \$500.
 3. ~~Our~~The limit for loss to any one item of **personal effects** in any one loss is \$1,000.
 4. Payments for loss covered under this Part V are subject to the following provisions:
 - a. a deductible of \$250 shall apply to each loss to **personal effects** or **non-owned personal effects**;
 - b. no more than one deductible shall be applied to any one covered loss;
 - c. in determining the amount necessary to repair damaged property to its pre-loss condition, the amount to be paid by **us**:
 - i. ~~shall~~**will** not exceed the prevailing competitive labor rates charged in the area where the property is to be repaired, and the cost of repair or replacement parts and equipment, as reasonably determined by **us**; and
 - ii. will be based on the cost of repair or replacement parts and equipment which may be new, reconditioned, remanufactured, or used, including, but not limited to:
 - (a)- original manufacturer parts or equipment; and
 - (b)- nonoriginal manufacturer parts or equipment; and
 - d. duplicate recovery under this policy for the same elements of loss is not permitted.

PAYMENT OF LOSS

We may, at **our** option:

1. pay for the loss in money; or
2. repair or replace the damaged or stolen property.

At **our** expense, **we** may return any recovered stolen property to **you** or to the address shown on the ~~Declarations Page~~**declarations page**, with payment for any damage resulting from the theft. **We** may keep all or part of the property at the agreed or appraised value.

We may settle any loss with **you** or the owner or lienholder of the property.

NO BENEFIT TO BAILEE

Coverage under this Part V will not directly or indirectly benefit any carrier or other bailee for hire.

OTHER SOURCES OF RECOVERY

~~OTHER INSURANCE~~

The insurance that **we** provide under this Part V for **personal effects** is primary. However, any insurance that **we** provide for a loss to **non-owned personal effects** shall apply as excess coverage

over any other collectible source of recovery including, but not limited to, any coverage provided by homeowners, renters, or tenants insurance.

APPRAISAL

If **we** cannot agree with **you** on the amount of a loss, then **we** and **you** may mutually agree to an appraisal of the loss. ~~If we and you agree~~ Within 30 days of any agreement to an appraisal, each party shall appoint a competent ~~and impartial~~ appraiser, and shall notify the other party of that appraiser's identity. The appraisers will determine the amount of loss. If they fail to agree, the disagreement will be submitted to a qualified ~~and impartial~~ umpire chosen by the appraisers. If the two appraisers are unable to agree upon an umpire within ~~fifteen (15)~~ days, **we** or **you** may request that a judge of a court of record, in the county where **you** reside, select an umpire. The appraisers and umpire will determine the amount of loss. The amount of loss agreed to by both appraisers, or by one appraiser and the umpire, will determine the amount payable under this Part V, but will not be binding. **You** will pay ~~your appraiser's~~ appraiser's fees and expenses. **We** will pay ~~our appraiser's~~ appraiser's fees and expenses. All other expenses of the appraisal, including payment of the umpire if one is selected, will be shared equally between **us** and **you**. Neither **we** nor **you** waive any rights under this policy by agreeing to an appraisal.

PART VI - FISHING EQUIPMENT COVERAGE

INSURING AGREEMENT—~~FISHING EQUIPMENT COVERAGE~~

~~Subject to the limit of liability, if~~ **If you** pay the premium for ~~Fishing Equipment Coverage~~ **this coverage**, we will pay for **sudden, direct and accidental** loss to **fishing equipment**.

No coverage is provided for theft of **fishing equipment** from any location other than a **watercraft** unless such equipment is stolen from a locked compartment, a **locked vehicle** or ~~in~~ **your** **locked residence**, the theft is supported by visible evidence of forcible entry, and the **insured person**, or someone on his or her behalf, reports the theft to the United States Coast Guard, the police, or other civil authority within ~~twenty-four (24)~~ hours or as soon as practicable after the loss.

ADDITIONAL DEFINITIONS

When used in this Part VI:

1. **"Fishing equipment"** means any sport fishing gear and equipment owned by **you** or a **relative** that is used in the legal taking of fish for sport and recreation, or for personal consumption, including, but not limited to, rods, reels, lures, lines, and tackle boxes. **"Fishing equipment"** does not include **permanent equipment, portable boating equipment, or personal effects**.
2. **"Personal effects"** means clothing and other personal property owned by **you** or a **relative**. **"Personal effects"** does not include:
 - a. money, ~~traveler's~~ **traveler's** checks, securities, evidence of debt, or valuable papers or documents;
 - b. jewelry, gems, precious stones, watches, silver, gold, or other precious metals;
 - c. antiques, fine arts, liquor or furs;
 - d. computer hardware and software;
 - e. any property used in **your** or a ~~relative's~~ **relative's** business or employment;
 - f. animals (including birds and fish);
 - g. **fishing equipment**;
 - h. **permanent equipment**; or
 - i. **portable boating equipment**.

EXCLUSIONS - READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART VI.

Coverage under this Part VI does not apply to any loss to **fishing equipment**:

1. while the ~~fishing equipment~~ **covered watercraft** is being used:
 - a. to carry persons or property for compensation or a fee;
 - b. for commercial or business purposes; or
 - ~~2. while the covered watercraft is being used-~~
 - c. in any illegal transportation or trade-;
- Subparts a. and b. of this exclusion do not apply to use of a **covered watercraft** for tournament fishing;
2. caused by, or reasonably expected to result from, a criminal act or omission of **you** or a **relative**. This exclusion applies regardless of whether **you** or the **relative** is actually charged with, or convicted of, a crime. For purposes of this exclusion, criminal acts or omissions do not include

violations of laws or regulations governing the operation of watercraft, provided such violations are not punishable by imprisonment or incarceration;

3. that occurs because the **covered watercraft** is not in **seaworthy** condition;
4. resulting from-, or sustained during practice or preparation for:
 - a. any pre-arranged or organized racing, **stunting**, speed or demolition contest, ~~stunting~~ or activity; ~~or in practice or preparation for any such contest or activity. However, this~~
 - b. any driving, riding, navigation, piloting or boating activity conducted on a permanent or temporary racecourse.

This exclusion does not apply to loss resulting from the use of a ~~covered watercraft~~ that is a sailboat in any pre-arranged or organized racing or speed contest, or in practice or preparation for any such contest;

5. due to a nuclear reaction or radiation;
6. for which insurance-:
 - a. is afforded under a nuclear energy liability insurance contract; or
 - b. would be afforded under a nuclear energy liability insurance contract but for its termination upon exhaustion of its limit of liability;
7. due to destruction or confiscation by governmental or civil authorities ~~of fishing equipment~~ because **you** or any **relative** engaged in illegal activities;
8. caused by an intentional act ~~of you or a relative~~ committed by or at the direction of **you** or a **relative**-, even if the actual damage is different than that which was intended or expected;
9. caused directly or indirectly by:
 - a. wear and tear; ~~However, this exclusion does not apply if the damage results from the theft of a covered watercraft;~~
 - b. ~~smog, humidity, mildew, mold, freezing, thawing, or extremes of temperature; —~~
 - e. gradual deterioration of any kind including, but not limited to, weathering, rust, corrosion, mold, wet or dry rot, osmosis, **delamination** or blistering;
 - d.c. dock rash or other gradual marring or scratching;
 - e.d. mechanical, electrical, or structural break-down, except for subsequent loss by fire or explosion; or
 - f.e. ~~any~~ any design, manufacturing or latent defect; ~~or~~
 - g. ~~insects, animals, vermin, or marine life.~~

~~However, this~~ of any watercraft or trailer. This exclusion does not apply:

 - a. if the ~~damage~~ loss results from the theft of a **covered watercraft**; or
 - b. to loss caused by mold or mildew if such loss is caused by any other loss covered under this Part VI;
10. ~~due to theft or conversion of fishing equipment by you, a relative, or any resident of your household, or at the direction of you, a relative, or any resident of your household;~~ caused directly or indirectly by:
 - a. insects, birds or other animals, including rodents and other types of vermin, unless the **covered watercraft** in or on which the **fishing equipment** was located at the time of the loss was secured with a fitted cover at the time of the loss;
 - b. marine life; or
 - c. smog, humidity, mildew, mold, freezing, thawing, or extremes of temperature.

This exclusion does not apply to loss:

 - a. resulting from impact with an animal; or
 - b. caused by mold or mildew if such loss is caused by any other loss covered under this Part VI;
11. due to theft or conversion of such **fishing equipment**:
 - a. by **you**, a **relative**, or any resident of **your** household; or
 - b. prior to its delivery to **you** or a **relative**;
12. for diminution of value;

- ~~12.~~13. while the **fishing equipment** or the **covered watercraft** which the **fishing equipment** is in or on is leased or rented to others; or given in exchange for any compensation. This exclusion does not apply to **your** or a **relative's** use of the **fishing equipment** or the **covered watercraft** which the **fishing equipment** is in or on;
- ~~13.~~14. caused directly or indirectly by:
- a. war (declared or undeclared), ~~including~~ or civil war;
 - b. warlike action by any military force of any government, sovereign or other authority using military personnel or agents. This includes any action taken to hinder or defend against an actual or expected attack; or
 - c. insurrection, rebellion, revolution, usurped power, or any action taken by a governmental authority to hinder or defend against any of these acts;
- ~~d.~~15. caused directly or indirectly by:
- a. any accidental or intentional discharge, dispersal or release of radioactive, nuclear, pathogenic, or poisonous ~~biological~~ material; or
 - e.b. any intentional discharge, dispersal or release of chemical or hazardous material for any purpose other than its safe and useful purpose-; or
16. arising out of an accident while using a **watercraft** as a primary or permanent residence.

LIMITS OF LIABILITY

1.- **Our** limit of liability under this Part VI for loss to **fishing equipment** will be the lowest of:

- a. the amount necessary to replace the stolen or damaged property, reduced by the applicable deductible ~~shown on the Declarations Page~~;
- b. the amount necessary to repair the damaged property to its pre-loss condition, reduced by the applicable deductible ~~shown on the Declarations Page~~; or
- c. the amount shown on the ~~Declarations Page~~ **declarations page** for Fishing Equipment Coverage.

However, the most **we** will pay for loss or damage to any one item of **fishing equipment** is \$1,000. A tackle box or any other container used to store lures, hooks, and baits is considered one item regardless of the number of lures, hooks, baits and other items stored in the container. A rod and reel are considered two separate items.

2. Payments for loss covered under Fishing Equipment Coverage are subject to the following provisions:

- a. a deductible of \$250 shall apply to each loss to **fishing equipment**;
- b. no more than one deductible shall be applied to any one covered loss;
- c. in determining the amount necessary to repair damaged property to its pre-loss condition, the amount to be paid by **us**:
 - i. shall not exceed the prevailing competitive labor rates charged in the area where the property is to be repaired, and the cost of repair or replacement parts and equipment, as reasonably determined by **us**; and
 - ii. will be based on the cost of repair or replacement parts and equipment which may be new, reconditioned, remanufactured, or used, including, but not limited to:
 - (a)- original manufacturer parts or equipment; and
 - (b)- nonoriginal manufacturer parts or equipment; and
- d. duplicate recovery under this policy for the same elements of loss is not permitted.

PAYMENT OF LOSS

We may, at our option:

1. pay for the loss in money; or
2. repair or replace the damaged or stolen property.

At our expense, we may return any recovered stolen property to you or to the address shown on the ~~Declarations Page~~ **declarations page**, with payment for any damage resulting from the theft. We may keep all or part of the property at the agreed or appraised value.

We may settle any loss with you or the owner or lienholder of the property.

NO BENEFIT TO BAILEE

Coverage under this Part VI will not directly or indirectly benefit any carrier or other bailee for hire.

OTHER ~~INSURANCE~~ SOURCES OF RECOVERY

The insurance that we provide under this Part VI for **fishing equipment** is primary.

APPRAISAL

~~If we cannot agree with you on the amount of a loss, then we and you may mutually agree to an appraisal of the loss. If we and you agree~~ Within 30 days of any agreement to an appraisal, each party shall appoint a competent ~~and impartial~~ appraiser, and shall notify the other party of that appraiser's identity. The appraisers will determine the amount of loss. If they fail to agree, the disagreement will be submitted to a qualified ~~and impartial~~ umpire chosen by the appraisers. If the two appraisers are unable to agree upon an umpire within ~~fifteen (15)~~ days, we or you may request that a judge of a court of record, in the county where you reside, select an umpire. The appraisers and umpire will determine the amount of loss. The amount of loss agreed to by both appraisers, or by one appraiser and the umpire, will determine the amount payable under this Part VI, but will not be binding. You will pay your ~~appraiser's~~ appraiser's fees and expenses. We will pay our ~~appraiser's~~ appraiser's fees and expenses. All other expenses of the appraisal, including payment of the umpire if one is selected, will be shared equally between us and you. Neither we nor you waive any rights under this policy by agreeing to an appraisal.

PART VII - DUTIES IN CASE OF AN ACCIDENT OR LOSS

For coverage to apply under this policy, **you** or the person seeking coverage must promptly report each accident or loss even if **you** or the person seeking coverage is not at fault. **You** or the person seeking coverage must provide **us** with all accident or loss information including time, place, and how the accident or loss happened. **You** or the person seeking coverage must also obtain and provide **us** the names and addresses of all persons involved in the accident or loss, the names and addresses of any witnesses, and the manufacturer's or state-assigned hull identification number of the watercraft involved.

If **you** or the person seeking coverage cannot identify the owner or operator of a watercraft involved in the accident, or if theft or vandalism has occurred, **you** or the person seeking coverage must notify the police, United States Coast Guard, or other civil authority, in accordance with applicable laws and regulations, within 24 hours or as soon as practicable.

A person seeking coverage must:

1. cooperate with **us** in any matter concerning a claim or lawsuit;
2. provide any written proof of loss **we** may reasonably require;
3. allow **us** to take signed and recorded statements, including sworn statements and examinations under oath, which **we** may conduct outside the presence of **you** or any other person seeking coverage and answer all reasonable questions **we** may ask as often as **we** may reasonably require;
4. promptly call to notify **us** about any claim or lawsuit and send **us** any and all legal papers relating to the claim or suit;
5. attend hearings and trials as **we** require;
6. take reasonable steps after a loss to protect the **covered watercraft**, or any other watercraft or trailer for which coverage is sought, from further loss. **We** will pay reasonable expenses incurred in providing that protection. If failure to provide such protection results in further loss, any additional damages will not be covered under this policy;
7. allow **us** to have the damaged **covered watercraft**, or any other damaged watercraft or trailer for which coverage is sought, inspected and appraised before its repair or disposal;
8. submit to medical examinations at **our** expense by doctors **we** select as often as **we** may reasonably require; and
9. authorize **us** to obtain medical and other records.

PART VIII - GENERAL PROVISIONS

POLICY PERIOD AND TERRITORY

This policy applies only to accidents and losses occurring during the policy period shown on the ~~Declarations Page~~ **declarations page** and which occur within:

1. ~~any a~~ state, territory, or possession of the United States of America, or ~~any a~~ province or territory of Canada, including their in-land lakes, rivers, and navigable waterways;
2. the Great Lakes; or
3. ocean waters ~~seventy five (75)~~ nautical miles or less from the coast of either the United States or Canada, but not including the territory or territorial waters of any country other than the United States or Canada.

~~POLICY CHANGES~~

This policy **contract**, **your** insurance application (which is made a part of this policy as if attached hereto), the ~~Declarations Page, as amended, and~~ **declarations page**, and all endorsements to this policy issued by **us** contain all the agreements between **you** and **us**. Subject to the following, its terms may not be changed or waived except by an endorsement issued by **us**.

The premium for ~~each covered watercraft~~ **this policy** is based on information ~~we have~~ received from **you** ~~or~~ **and** other sources. **You** agree to cooperate with **us** in determining if this information is correct and complete, and ~~you will to~~ notify **us** if it changes during the policy period. If this information is incorrect, incomplete, or changes during the policy period, **you agree that we** may adjust **your** premium ~~during the policy period, or take other appropriate action. To properly insure your covered watercraft, you must promptly notify us when:~~ **accordingly**.

1. ~~you change your address;~~
2. ~~any resident operators are added or deleted; or~~
3. ~~you acquire an additional or replacement watercraft.~~

Changes that may result in a premium adjustment are contained in **our** rates and rules. These include, but are not limited to, changes in:

1. the number or type of **covered watercraft**;
2. operators using **covered watercraft**;
3. marital status of any operator;
4. coverage, deductibles, or limits of liability; or
5. rating territory or discount eligibility.

The coverage provided in **your** policy may be changed only by the issuance of a new policy or an endorsement by **us**. However, if during the policy period **we** broaden any coverage afforded under the current edition of **your** policy without additional premium charge, that change will automatically apply to **your** policy as of the date the coverage change is implemented in **your** state.

If **you** ask **us** to delete a watercraft from this policy, no coverage will apply to that watercraft as of the date and time **you** ask **us** to delete it.

DUTY TO REPORT CHANGES

You must promptly notify **us** when:

1. **your** mailing or residence address changes;
2. there is a change with respect to the residents in **your** household or the persons who regularly operate a **covered watercraft**; or
3. an operator's marital status changes.

SETTLEMENT OF CLAIMS

We may use estimating, appraisal, or injury evaluation systems to assist **us** in adjusting claims under this policy and to assist **us** in determining the amount of damages, expenses, or loss payable under this policy. Such systems may be developed by **us** or a third party and may include computer software, databases, and specialized technology.

TERMS OF POLICY CONFORMED TO STATUTES

If any provision of this policy fails to conform with the ~~LEGAL REQUIREMENTS~~ statutes of the state listed on **your** application as **your** principal place of garaging, docking or mooring **your covered watercraft**, the provision shall be deemed amended to conform ~~WITH~~to such ~~LEGAL REQUIREMENTS~~.statutes. All other provisions shall be given full force and effect. Any disputes as to the coverages provided or the provisions of this policy shall be governed by the law of the state listed on **your** application as **your RESIDENCE**-principal place of garaging, docking or mooring **your covered watercraft**.

TRANSFER OF INTEREST

~~This~~The rights and duties under this policy may not be transferred to another person without **our** written consent. ~~If~~ However, if a named insured shown on the **declarations page** dies, this policy will provide coverage until the end of the policy period for the legal representative of the named insured, while acting as such, and for persons covered under this policy on the date of the named ~~insured's~~insured's death.

YOUR WARRANTIES TO US REGARDING YOUR COVERED WATERCRAFT

You warrant and represent to **us** that, at the inception of this policy, **your covered watercraft** is in **seaworthy** condition and that it complies with all published federal safety standards and provisions.

Violation of this warranty will void this policy from its inception.

You further warrant and represent to **us** that **you** will continue to maintain **your covered watercraft** in **seaworthy** condition and to comply with all federal safety standards and provisions. This policy does not cover any loss or damages caused by **your** failure to-

- a. exercise due diligence to properly manage **your covered watercraft**,~~to~~;
- b. maintain **your covered watercraft** in **seaworthy** condition,~~or to~~;
- c. comply with all federal safety standards and provisions~~;~~ or
- d. follow all customary and manufacturer-recommended maintenance guidelines.

FRAUD OR MISREPRESENTATION

This policy was issued in reliance upon the information provided on **your** insurance application. **We** may void this policy ~~if you or an insured person:~~ at any time, including after the occurrence of an accident or loss, if **you**:

1. ~~failed to disclose, or~~ made incorrect statements or representations to **us** with regard to, any material fact or circumstance;
2. concealed or misrepresented any material fact or circumstance; or
3. engaged in fraudulent conduct;

at the time of application. ~~We may void this policy due to fraud, misrepresentation, or an incorrect statement of, or the omission of, a material fact in the application, even after the occurrence of an accident or loss.~~ This means that **we** will not be liable for any claims or damages that would otherwise be covered. ~~However, if we make a payment, the insured person must reimburse us.~~ If **we** void this policy, this shall not affect coverage under Part I - Liability ~~To to Others of this policy~~ for an accident that occurs before **we** notify the named insured that the policy is void. No payment will be made to any person who concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct. If **we** void this policy, **you** must reimburse **us** if **we** make a payment.

We may deny coverage for an accident or loss if **you** or an insured person ~~have failed to disclose,~~ seeking coverage ~~has knowingly~~ concealed, or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, in connection with the presentation or settlement of a claim.

PAYMENT OF PREMIUM AND FEES

If **your** initial premium payment is by check, draft, ~~electronic funds transfer, or any similar form of remittance other than cash,~~ coverage under this policy is conditioned ~~upon the check, draft, or remittance being honored upon presentment to the bank or other~~ on payment to **us** by the financial institution. ~~If the check, draft, or remittance is not honored upon presentment~~ If the financial institution upon presentment does not honor the check, draft, ~~electronic funds transfer, or similar form of remittance,~~ this policy may, at **our** option, be deemed void from its inception. This means ~~that we~~ will not be liable under this policy for any claims or damages that would otherwise be covered if the check, draft, ~~electronic funds transfer, or similar form of remittance~~ had been honored ~~upon presentment~~ by the financial institution. Any action by **us** to present the remittance for payment more than once shall not affect **our** right to void this policy.

~~A CHARGE MAY BE ADDED TO YOUR ACCOUNT IF:~~ In addition to premium, fees may be charged on **your** policy. **We** may charge fees for installment payments, late payments, and other transactions. Payments made on **your** policy will be applied first to fees, then to premium due.

1. ~~you tender a check, draft, or any remittance other than cash to us for any full or partial payment of your premium, other than your initial payment, and the check, draft, or remittance is returned to us or refused because of insufficient funds, a closed account, or a stop payment order; or~~
2. ~~your premium payment is received after the due date but prior to the effective date of cancellation of this policy for nonpayment of premium.~~

CANCELLATION

You may cancel this policy ~~during the policy period~~ by calling, or writing, ~~or sending an electronic communication to us,~~ and stating the future date that **you** wish the cancellation to be effective.

We may cancel this policy during the policy period by mailing a notice of cancellation to the named insured shown on the declarations page and any lienholders or loss payees shown on the ~~Declarations Page~~ declarations page at ~~the~~ their last known address appearing in our records. ~~If cancellation is for nonpayment of premium, notice will be mailed at least ten (10) days before the effective date of cancellation. If cancellation is for any other reason, notice will be mailed at least twenty (20) days before the effective date of cancellation.~~

We will give at least 10 days notice of cancellation if this policy is cancelled for nonpayment of premium.

We will give at least 20 days notice of cancellation in all other cases.

We may cancel this policy for any reason if the notice is mailed within the first ~~sixty (60)~~ days of the initial policy period.

After this policy is in effect for more than ~~sixty (60)~~ days, or if this is a renewal or continuation policy, we may ~~only~~ cancel only for one or more of the following reasons:

1. ~~you do not pay the required~~ nonpayment of premium ~~for this policy when due;~~ ;
2. fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining the policy, continuing the policy, or in presenting a claim under the policy;
3. the occurrence of a material change in the risk which substantially increases any hazard insured against after policy issuance;
4. violation of any local fire, health, safety, building, or construction regulation or ~~ordinance~~ ordinances with respect to any insured property, or the occupancy of the property, which substantially increases any hazard insured against under the policy;
5. nonpayment of membership dues in those cases where the bylaws, agreements, or other legal instruments of the insurer issuing the policy require payment as a condition of the issuance and maintenance of the policy; ~~or~~
6. a material violation of a material provision of the policy; ~~or~~ or

~~With respect to cancellation, this policy is neither severable nor divisible. Any cancellation will be effective for all coverage for all persons and all covered watercraft and all trailers.~~

7. any other reason permitted by law.

Proof of mailing will be sufficient proof of notice. If this policy is ~~cancel~~ cancelled, coverage will not be provided as of the effective date and time shown in the notice of cancellation. For purposes of cancellation, this policy is neither severable nor divisible. Any cancellation will be effective for all coverages for all persons and all watercraft and trailers.

CANCELLATION REFUND

Upon cancellation, you may be entitled to a premium refund. However, our making or offering of a refund is not a condition of cancellation.

If this policy is ~~cancel~~ cancelled, any refund due will be computed on a daily pro-rata basis. However, we ~~shall~~ will retain a cancellation fee if this policy is ~~cancel~~ cancelled at your request, or if cancellation is for nonpayment of premium. A cancellation fee will be charged only during the initial policy period.

NONRENEWAL

If neither ~~we decide not~~ nor one of **our** affiliates offers to renew or continue this policy, other than for nonpayment of premium, **we** will mail notice of nonrenewal to the named insured shown on the ~~Declarations Page~~**declarations page** at the last known address appearing in **our** records. **Proof of mailing will be sufficient proof of notice.** Notice will be mailed at least ~~twenty (20)~~**30** days before the end of the policy period.

PROOF OF NOTICE

~~Proof of mailing of any notice will be sufficient proof of notice.~~

AUTOMATIC TERMINATION

~~Coverage for a covered watercraft shall automatically terminate.~~ If **we** or an affiliate offers to renew or continue this policy and **you** or **your** representative does not accept, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due will mean that **you** have not accepted **our** offer.

- ~~1.—when a person other than **you** or a **relative** becomes the **owner** of the **watercraft**; or~~
- ~~2.—on the effective date of any other boat or watercraft insurance policy covering that **watercraft**.~~

COVERAGE CHANGES

~~If **we** make a change that broadens a coverage **you** have under this edition of **your** policy, without additional charge, **you** will receive the broadened coverage. The broadened coverage applies on the date the coverage change is implemented in **your** state. This provision does not apply to a general program revision or **our** issuance of a subsequent edition of **your** policy. Otherwise, this policy can be changed only by endorsement issued by **us**.~~

If **you** obtain other insurance on a **covered watercraft**, any similar insurance provided by this policy will terminate as to that **covered watercraft** on the effective date of the other insurance.

If a **covered watercraft** is sold or transferred to someone other than **you** or a **relative**, any insurance provided by this policy will terminate as to that **covered watercraft** on the effective date of the sale or transfer.

LEGAL ACTION AGAINST US

We may not be sued unless there is full compliance with all the terms of this policy. ~~Any lawsuit against **us** by **you**, a **relative**, or any other insured person following an **accident**, for an alleged breach of **our** obligations under this policy, must be commenced within the time period set forth as the bodily injury statute of limitations in the laws of the state listed in **our** records as **your** principal address.~~

We may not be sued for payment under Part I - Liability To Others until the obligation of an insured person under **Part I** to pay is finally determined either by ~~final~~ judgment **after trial** against that person or by written agreement of the **insured person**, the claimant, and **us**. No one will have any right to make **us** a party to a lawsuit to determine the liability of an **insured person**.

If **we** retain salvage, **we** have no duty to preserve or otherwise retain the salvage for any purpose, including evidence for any civil or criminal proceeding.

OUR RIGHTS TO RECOVER PAYMENT

~~In the event of any payment under this policy, we~~ **We** are entitled to all the rights of recovery that the insured person to whom payment was made has against another after the insured person has been fully compensated for his or her loss, **to the extent of our payment**. That insured person ~~must~~ **may be required to sign and deliver to us any legal papers relating to that** **documents related to the recovery, and must** do whatever else is necessary to help **us** exercise those rights, and do nothing after an accident or loss to prejudice **our rights**.

~~We may not assert those rights of recovery for any payment made under Part IV—Physical Damage Coverage against a person who was using a covered watercraft with your express or implied permission, unless that person was employed or engaged in the business of selling, leasing, repairing, docking, mooring, storing, servicing, delivering, or testing watercraft at the time of the loss.~~

When an insured person has been paid by **us** ~~under this policy~~ and also recovers from another ~~person, entity, or organization~~, the amount recovered will be held by the insured person in trust for **us**, ~~after the insured person has been fully compensated for his or her loss~~, and reimbursed to **us** to the extent of **our payment**.

If **we** are not reimbursed, **we may pursue** recovery ~~is made by~~ **of that amount directly against that insured person**. If an insured person ~~under this policy~~ recovers from ~~a responsible party or that party's insurer~~ **another** without **our** written consent, the insured ~~person's~~ **person's** right to payment under any affected coverage will no longer exist.

If **we** elect to exercise **our** rights of recovery against ~~a responsible person, entity, or organization~~, **you authorize us, at our option, another, we will also attempt** to recover any deductible incurred by **you** for property damage covered by this policy. ~~We have no obligation to seek repayment of an insured person under this policy unless we are specifically instructed by that person not to pursue the deductible if we pursue recovery through Inter-company Arbitration.~~ **We** have no obligation to pursue recovery against ~~a responsible person, entity, or organization for anything other than the deductible incurred by you and the amount we have paid for property damage. If you or an insured person have other claims to pursue against the responsible person, entity or organization for recovery of damages not paid by us, then:~~ **another for any loss not covered by this policy.**

- ~~1.—a separate or independent legal action may be filed by you or that insured person; or~~
- ~~2.—the claims may be joined with our action if that person notifies us and secures separate counsel to protect those other interests.~~

We reserve the right to compromise or settle the deductible and property damage claims against the ~~liable~~ **responsible** parties for less than the full amount. ~~We~~ **We** also reserve the right to incur reasonable expenses and attorney fees in pursuit of the recovery. ~~You are entitled to~~

If the total recovery is less than the total of **our** payment and the deductible, **we will reduce** reimbursement of ~~your~~ **the deductible based on the proportion that the actual recovery bears to the total of our payment and the deductible**. A proportionate share of ~~any recovery, subject to a reduction for your proportionate share of collection~~ **expenses and attorney fees incurred in connection with these collection recovery efforts will also reduce reimbursement of the deductible**.

OUR RIGHTS TO INSPECT

These provisions will be applied in accordance with state law.

OUR RIGHTS TO INSPECT

We, and any rating, advisory, rate service, or similar organization that makes insurance inspections, surveys, reports or recommendations on **our** behalf, have the right to:

1. make inspections and surveys after providing **you** with reasonable notice;
2. provide **you** reports related to any conditions that **we** identify with respect to a **covered watercraft** or **any** property; and
3. recommend changes with respect to any identified conditions.

This does not mean that **we** or any entity acting on **our** behalf:

1. make safety inspections;
2. undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public;
3. warrant or represent that conditions are safe or healthful;
4. warrant or represent that conditions comply with laws, regulations, codes or standards; or
5. warrant or represent that a **covered watercraft** is in **seaworthy** condition.

JOINT AND INDIVIDUAL INTERESTS

If there is more than one named insured on this policy, any named insured may cancel or change this policy. The action of one named insured ~~shall~~**will** be binding on all persons provided coverage under this policy.

BANKRUPTCY

The bankruptcy or insolvency of an insured person will not relieve **us** of any obligations under this policy. If execution of a judgment against an **insured person** under Part I — Liability To Others is returned unsatisfied because of the **bankruptcy or insolvency** ~~or bankruptcy~~ of the **insured person**, the person claiming payment for damages under Part I may maintain an action against **us** for the amount of the judgment not exceeding **our** ~~Limits of Liability~~**limits of liability**.

Coastal Navigation Endorsement

If **you** pay the premium for coastal navigation of ~~one hundred twenty five (125)~~ nautical miles, for any **covered watercraft**, your Boat and Personal Watercraft Policy is amended as follows:

~~1.~~—The Policy Period and Territory provision under the General Provisions is deleted and replaced by the following ~~for any covered watercraft with coastal navigation of one hundred twenty five (125) nautical miles:~~

Policy Period and Territory

This policy applies only to accidents and losses occurring during the policy period shown on the **Declarations Page**[declarations page](#) and which occur within:

- a. ~~any~~ state, territory, or possession of the United States of America, or ~~any~~ province of Canada, including their inland lakes, rivers, and navigable waterways;
- b. the Great Lakes;
- c. ocean waters ~~one hundred twenty five (125)~~ nautical miles or less from the coast of either the United States or Canada, but not including the territory or territorial waters of any country other than the United States -or Canada, [except as provided in the following subsection \(d\)](#); or
- d. territory or territorial waters of the Commonwealth of Bahamas that ~~exist one hundred twenty five (125) nautical miles or less from the coast of the continental United States~~[extend no further north than 27 degrees 30 minutes north latitude \(27° 30' N\); no further east than 75 degrees 30 minutes west longitude \(75° 30' W\); and no further south than 24 degrees north latitude \(24° N\).](#)

The **covered watercraft** shall have a hull length of at least 26 feet and two primary engines, unless the **covered watercraft** is a sailboat, in which case it shall have at least one inboard engine. If the **covered watercraft** does not meet these specifications, the coverage afforded by this endorsement shall be void from inception.

The **covered watercraft** shall not remain in ocean waters greater than ~~seventy five (75)~~ nautical miles from the coast of the United States or Canada for more than ~~thirty (30)~~ consecutive days at a time. If the **covered watercraft** remains in ocean waters greater than ~~seventy five (75)~~ nautical miles from the coast of the United States or Canada for more than ~~thirty (30)~~ days, the coverage afforded by this endorsement shall not apply beyond the ~~thirty (30)~~ days and shall not be available until the **covered watercraft** returns to within ~~seventy five (75)~~ nautical miles from the coast of the United States or Canada.

All other terms, limits and provisions of this policy remain unchanged.



Application for Insurance

(Programming note: The heading below will not print for customers who e-sign.)

Please review, sign where indicated and return

(Programming note: The heading below will print for customers who e-sign.)

Please review and sign where indicated

Drafting Note: COMBO BT
Brand Specific Logo

(Programming note: For customers who e-sign, "Policy number, <XXXXXXXX-X> will print if available.)

(Programming note: The heading and policy number below prints on all sold applications.)

Policy number: <XXXXXXXX-X>

(Programming note: Heading will be 'Named insured' if additional Named insured is not selected.)

Named insureds: <XXXXX XXXXXXXXXXXXXXXXXXXX>
< XXX XXXXXXXXXXXXXXXXXXXX>

<MMM DD, YYYY>

Page <X of X> (Programming note: "Page <X of X>" will not print for e-sign.)

(Programming note: For customers who sign the app electronically, "for policy number <XXXXXXXX-X>" will print if available.)

(Programming note: The heading below prints on all sold applications.)

Policy and premium information for policy number <XXXXXXXX-X>

(Programming note: The heading below prints on all unsold applications.)

Policy and premium information

(Programming note: The name of the actual insuring entity will print below.)

Insurance company: <XXXXXXXXXXXX XXXX XXXXXXXXXXX XXXXXXX>
<XXXXX XXXXX>
<XXXXX, XX XXXXX>

(Programming note: Agent name will print if provided. If Agent name is not provided, only the Agency name will print.)

(Programming note: The section below will not print for Direct.)

Agent: <XXX XXXXX>
<XXXXX XXXXXXXXXXX XXXXXXX>
<XXXX XXXXX XX>
<XXXXXXXXXX, XX XXXXX>
<XXXXXX>
<XXX-XXX-XXXX>

(Programming note: Heading will be 'Named insured' if additional Named insured is not selected.)

Named insureds: <XXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXX>
<XXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXX>
<XXX XXXX>
<XXXX, XX XXXXX>

(Programming note: The e-mail address, home telephone and work telephone headings will print even if no information is provided.)

e-mail address: <creditemo@aol.com>

Home: <XXX-XXX-XXXX>

Work: <XXX-XXX-XXXX>

(Programming note: The field below will print when credit has been pulled. The name and phone number of the vendor will print.)

Financial responsibility vendor: <XXXXXXXXXXXXXXXXXXXX>
<XXX-XXX-XXXX>

(Program note: The Policy period will print on all sold applications.)

Policy period: <MMM DD, YYYY – MMM DD, YYYY>

(Programming note: This icon will not print on any page for customers who e-sign.)²

(Programming note: For customers who e-sign, "Policy number, <XXXXXXXX-X>" will print if available.)

Policy number: <XXXXXXXX-X>
<XXXXX XXXXXXXXXXXXXXXXX>
< XXX XXXXXXXXXXXXXXXXX>
Page <X of X>

(Programming note: "Page <X of X>" will not print for e-sign.)

.....
(Programming note: The date and time below will print on all sold applications.)

Effective date and time: <MMM DD, YYYY at XX:XX a.m.>

(Programming note: The sentence below will print on all unsold applications for Agent).

Your policy will be effective when your required initial payment is received by your agent or at a later date of your choice.

(Programming note: The sentence below will print on all unsold applications for Direct.)

Your policy will be effective when your required initial payment is received or at a later date of your choice.

.....
Total policy premium: <\$x,xxx>

.....
Initial payment required: <\$x,xxx>

.....
(Programming note: Initial payment received prints for sold applications).

Initial payment received: <\$x,xxx>

.....
Payment plan: <xxxxx> (Programming note: The selected payment plan will print here)

Drivers and household residents

All household residents who operate the watercraft described in the application, all operators that have an ownership interest in any of these watercraft and any other regular operator of these watercraft are listed below. Only operators that are 18 years or older need to be listed.

~~Note: The SS# will be masked after 14 days from the effective date on the quote. After that the entire SS# will be masked for Agency.~~

~~Note: SS# will not print for Direct and will not print on the Agency quote.~~

| Name | Date of birth | Sex | Marital status |
|--------------------------|----------------------------|--------|----------------|
| <XXXX XXXXXXXXXXXXXXXXX> | <MMM DD, YYYY> | <XXXX> | <XXXXXX> |
| Relationship | | | |
| <XXXX XXXXXXXXXXXXXXXXX> | <MMM DD, YYYY> | <XXXX> | <XXXXXX> |
| SS#: XXXXX9999 | License status: <XXXXXXXX> | | |

Principal watercraft: 2002 BASSass BT1

(Programming note: The section below prints the coverages selected by the insured.)

Outline of coverage

(Programming note: The message below regarding policy limits needs to print directly underneath the "Outline of coverage" heading when there is more than one vehicle on the policy.)

Your insurance policy and any policy endorsements contain a full explanation of your coverage. The policy limits shown for a watercraft may not be combined with the limits for the same coverage on another watercraft.

(Programming note: Coverage order will match the state specific dec page coverage order, and may not always match the model order of coverages.)

| General policy coverage | Limits | Deductible | Premium |
|-------------------------|--------|------------|---------|
|-------------------------|--------|------------|---------|

(Programming note: For customers who e-sign, "Policy number, <XXXXXXXX-X>" will print if available.)

Policy number: <XXXXXXXX-X>
 <XXXXX XXXXXXXXXXXXXXXXX>
 <XXX XXXXXXXXXXXXXXXXX>
 Page <X of X>

(Programming note: "Page <X of X>" will not print for e-sign.)

Fishing Equipment <\$x,xxx> <\$xxx> <\$xx>

Total premium for general policy coverage
 <\$xx>

(Programming note: Length, Total horsepower, Hull material, Outboard and Registration number headings will only print if information is provided.)

(Programming note: For release 3 states only, the "Make" field for Outboard #1, Outboard #2 and Trailer information will print up to five characters in all caps if the Make name is not found in the picklist. If the five digit characters of the Make name is on the picklist, the full description will print using the upper/lower case format with 10 character maximum.)

2002 Bass BT1

| | | |
|------------------------------------|-------------------------------------|------------------------|
| Hull ID #: <1111111111111111> | Registration number: <111111111111> | |
| Length: <11> | Hull material: <XXXXXXXXXXXXXX> | |
| Garaging/Mooring Zip Code: <11111> | State: <xx> | Use: <XXXXXXXXXXXXXX> |
| Propulsion type: <XXXXXXXXXX> | Number of motors: | Total horsepower: <11> |
| Outboard #1 Year: <1111> | Make: <XXXXX> | Horsepower: <111> |
| Outboard #2 Year: <1111> | Make: <XXXXX> | Horsepower: <111> |

Note: The section below will only print if there is a trailer listed on the policy.

Trailer information Year: <1111> Make: <XXXXX>

| | Limits | Deductible | Premium |
|--|---|------------|-----------|
| (Programming note: "Includes Fuel Spill Liability" text is hard coded by quoting platforms.) | | | |
| Liability To Others | | | <\$x,xxx> |
| Bodily Injury Liability | <\$xxx,xxx> each person <\$xxx,xxx> each accident | | |
| Property Damage Liability | <\$xx,xxx> each accident | | |
| Includes Fuel Spill Liability | | | |
| Uninsured/Underinsured Boater | <\$xxx,xxx> each person <\$xxx,xxx> each accident | | <xxx> |
| Medical Payments | <\$x,xxx> each person | | <xxx> |

(Programming note: Descriptors are variable based on coverage settlement option selected. <\$xxx,xxx> = the rating base dollar value listed for the watercraft.)

| | | | |
|---------------|---|---------|-------|
| Comprehensive | The Lesser Of Actual Cash Value at time of loss Less Deductible Θ or <\$xxx,xxx> | <\$xxx> | <xxx> |
|---------------|---|---------|-------|

(Programming note: Descriptors are variable based on coverage settlement option selected. <\$xxx,xxx> = the rating base dollar value listed for the watercraft.)

| | | | |
|-----------|---|---------|-------|
| Collision | The Lesser Of Actual Cash Value at time of loss Less Deductible Θ or <\$xxx,xxx> | <\$xxx> | <xxx> |
|-----------|---|---------|-------|

(Programming note: This section is hard coded by the quoting platforms. Refer to the below notes for when to display hard coded text.)

(Programming note: Display Disappearing Deductible when TLR/PP or Agreed Value settlement option is selected. Always show Wreckage Removal and Marine Electronics when Comprehensive and Collision Coverage is selected.)

Included with Comprehensive and Collision:

| | |
|-------------------------|-------|
| Disappearing Deductible | |
| Wreckage Removal | |
| Marine Electronics | \$500 |

(Programming note: Include Trailer display when a trailer is listed for the watercraft and Comprehensive and Collision Coverage are listed.)

| | |
|---------|-------|
| Trailer | \$250 |
|---------|-------|

| | | | |
|---------------------------------------|-------------------------|--|-------|
| Emergency Watercraft Towing and Labor | <\$x,xxx> each incident | | <xxx> |
|---------------------------------------|-------------------------|--|-------|

(Programming note: For customers who e-sign, "Policy number, <XXXXXXXX-X>" will print if available.)

Policy number: <XXXXXXXX-X>
<XXXXX XXXXXXXXXXXXXXXXX>
<XXX XXXXXXXXXXXXXXXXX>
Page <X of X>

(Programming note: "Page <X of X>" will not print for e-sign.)

(Programming note: When 75 Nautical Miles limit is listed, display the following hard coded coverage name and limit text: Coastal Navigation 75 Nautical Miles.)

Coastal Navigation <xxx> Nautical Miles <xxx>

Replacement Cost Personal Effects <\$x,xxx> <xxx> <xxx>

(Programming note: Roadside Assistance only prints when trailer information, Comprehensive and Collision Coverage are listed on the policy.)

Roadside Assistance included

Total premium for 2002 BASSass <\$x,xxx>

Total 12 month policy premium

<\$xx,xxx>

(Programming note: The section below prints when Comprehensive and Collision Coverage are listed on the application.)

The watercraft value listed within the Comprehensive and Collision information above, reflects one of the following loss settlement options:

Total Loss Replacement/Purchase Price – Represents the purchase price of the watercraft (including tax and title fees paid at the time of purchase), including any portable boating equipment, permanently attached equipment and trailer if Trailer Coverage is requested. Purchase Price must be supported by a sales receipt. The insured must be the original owner. "Used" boats do not qualify.

Agreed Value – Represents the current market value of the watercraft, including any portable boating equipment, permanently attached equipment and trailer if Trailer Coverage is requested. The Agreed Value should be reviewed periodically to ensure that it continues to reflect the current market value of your watercraft.

For watercraft purchased within the previous two years, current market value can be determined by a sales receipt. If a sales receipt is unavailable or if the watercraft was purchased more than 2 years ago, current market value can be determined by a current BUC Guide, ABOS Blue Book, N.A.D.A. Appraisal Guide, accredited marine survey or local dealer.

Actual Cash Value – Represents the current market value of the watercraft, including any portable boating equipment, permanently attached equipment and trailer if Trailer Coverage is requested. This amount should be reviewed periodically to ensure that it continues to reflect the current market value of your watercraft, since total loss settlements will pay the lesser of this amount or the actual cash value of the watercraft at the time of loss minus the deductible.

(Programming note: The section below always prints.)

A coastal navigation limit applies to this policy. Watercraft with a coastal navigation limit of 75 nautical miles are not covered for losses that occur more than 75 nautical miles from the coast of the United States or Canada or for losses that occur in any territory or territorial waters of any country other than the United States or Canada. A coastal navigation limit of 125 nautical miles extends coverage from 75 nautical miles to 125 nautical miles from the coast of the United States or Canada, and includes the territory and territorial waters of the Commonwealth of Bahamas ~~that exist 125 nautical miles or less from the United States coast~~ extend no further north than 27 degrees 30 minutes north latitude (27° 30'N); no further east than 75 degrees 30 minutes west longitude (75° 30' W); and no further south than 24 degrees north latitude (24° N). Losses that occur in territories and territorial waters of any other country are not covered.

(Programming note: For customers who e-sign, "Policy number, <XXXXXXXX-X>" will print if available.)

Policy number: <XXXXXXXX-X>
<XXXXX XXXXXXXXXXXXXXXXX>
< XXX XXXXXXXXXXXXXXXXX>
Page <X of X>

(Programming note: "Page <X of X>" will not print for e-sign.)

(Programming note: The section below prints when a discount applies to the application and only applicable sections print. If only one discount present, heading will read Premium discount.)

Premium discounts

Policy

<XXXXXXXX-X> (Programming note: Policy number <XXXXXXXX-X> will print if available.) Discount will display if applicable

Driver

<XXXX XXXXXXXXXXXXXXX> Discount will display if applicable

Watercraft

BT1

Discount will display if applicable

2002 BASSass

Driving history

(Programming note: The section below prints when there is a rated driver with a violation or accident.)

Please review the following information carefully because **your** driving history **from the last 35 months** is used to determine your rate. All accidents are considered at-fault and chargeable unless the accident is under an applicable payment threshold or we receive additional information from you or another source that proves the accident was not-at-fault. We **you** obtain driving history from the following sources:

- Your application (APP)
- Motor Vehicle Reports - provided by state agencies (MVR)

Driver

Description

Date

Source

<XXXXX XXXXXXXXXXXXXXX>

<XXXXXXXX>

<MMM DD, YYYY>

<XXX>

(Programming note: The section below prints when all drivers have a clean driving record.)

<XXXXX> (Brand company name will print in place of the X's) uses **your** driving history **from the past 35 months** to determine your rate. There are no accidents or violations for drivers on this policy.

(Programming note: The heading below prints when there is a Lienholder only.)

Lienholder information

(Programming note: The heading below prints when there is an Additional Interest only.)

Additional Interest information

(Programming note: The heading below prints when there is a Lienholder and Additional Interest.)

Lienholder and Additional Interest information

(Programming note: The sections below prints the names and addresses on file for the Lienholder and Additional Interest.)

Lienholder:

LP #1

<XXX XXXXX XXXX, XX XXXXX>

2002 BASSass BT1 <XXXXXXXXXXXXXX>

Additional Interest:

ADDITIONAL INTEREST

<XXX XXXXX XXXX, XX XXXXX>

(Programming note: For customers who e-sign, "Policy number, <XXXXXXXX-X>" will print if available.)

Policy number: <XXXXXXXX-X>
<XXXXX XXXXXXXXXXXXXXXXX>
<XXX XXXXXXXXXXXXXXXXX>
Page <X of X>

(Programming note: "Page <X of X>" will not print for e-sign.)

(Programming note: This section always prints. The form number is 1004 (06/04 09/07). Form number will not print on notices unless programming note indicates otherwise.)

~~Note: For customers who e-sign, an "x" and their initials should prefill next to their selection. ("yes/no"). All questions should be defaulted to "no". If a customer answers "yes" to any of these questions in the buy application, they should not be allowed to e-sign.~~

(Programming note: For customers who e-sign, an "x" and their initials should prefill next to their selection. ("yes/no"). Questions 1-4 should be defaulted to "no". The "Seaworthinessquestion" should default to "yes". If a customer answers "yes" to 1-4, or "no" to the "Seaworthiness question", they should not be allowed to e-sign.)

Boat questionnaire

Please complete this section and initial each response.

1. Are any of the watercraft listed used for commercial purposes? Commercial purposes include, but are not limited to, use as a water taxi, use for guided tours, and commercial fishing, netting, or trapping.

(Note: Fishing tournament participation is not considered commercial usage.)

_____ Yes _____ No _____ Initial

2. Are any of the watercraft listed used as a primary residence?

_____ Yes _____ No _____ Initial

3. Are any of the watercraft listed capable of speeds in excess of 75 MPH (90 MPH for bass boats)?

_____ Yes _____ No _____ Initial

4. Do any of the watercraft listed have an engine or engines with total horsepower in excess of 500 for single engine or 1000 for twin engines?

_____ Yes _____ No _____ Initial

- ~~5. Are all the watercraft in seaworthy condition? A watercraft is not in seaworthy condition if it is not fit to withstand the foreseeable and expected conditions of weather, wind, seas and the rigors of normal and foreseeable use.~~

~~_____ Yes _____ No _____ Initial~~

Seaworthiness question:

"Seaworthy" means fit to withstand the foreseeable and expected conditions of weather, wind, seas and the rigors of normal and foreseeable use. As used in this definition, "seas" refers to the waters - whether ocean, inland, or both - upon which the watercraft was designed to and will be operated.

1. Are all listed watercraft in seaworthy condition?

_____ Yes _____ No _____ Initial

(Programming note: For customers who e-sign, "Policy number, <XXXXXXXX-X>" will print if available.)

Policy number: <XXXXXXXX-X>
<XXXXX XXXXXXXXXXXXXXXXX>
<XXX XXXXXXXXXXXXXXXXX>
Page <X of X>

(Programming note: "Page <X of X>" will not print for e-sign.)

(Programming note: The text below all of the bolded headings within this Application agreement section should print directly below the heading.

Application agreement

Verification of content

I affirm that the statements contained herein are true to the best of my knowledge and belief and do agree to pay any surcharges applicable under the Company rules which are necessitated by inaccurate statements. I understand that this policy may be rescinded and declared void if this application contains any false information or if any information that would alter the Company's exposure is omitted or misrepresented.

Note: The text below is state specific.

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Notice of information practices

~~I acknowledge that the Company and its affiliates may collect information from consumer reporting agencies, such as driving record, and claims and credit history reports. The Company may use a credit-based insurance score based on the information contained in that credit history report. This information will be used to underwrite my insurance and provide an accurate quote in an appropriate underwriting company. I authorize the Company and its affiliates to obtain future reports to update or renew the insurance or to offer replacement insurance. If there is an adverse action based on credit information, the Company offers an internal appeals process by contacting Policy Services.~~

I understand that to calculate an accurate price for my insurance, the Company may obtain information from third parties, such as consumer reporting agencies that provide driving, claims and credit histories. The Company may use a credit-based insurance score based on the information contained in the credit history. The Company or its affiliates may obtain new or updated information to calculate my renewal premium or service my insurance. I may access information about me and correct it if inaccurate. In some cases, the law permits the Company to disclose the information it collects without authorization. However, the Company will not share personal information with nonaffiliated companies for their marketing purposes without consent. Complete details are in the Company's Privacy Policy, which will be provided with this insurance policy and upon request.

I affirm that

If I make my initial payment by electronic funds transfer, check, draft, or other remittance, the coverage afforded under this policy is conditioned on payment to the Company by the financial institution. If the transfer, check, draft, or other remittance is not honored by the financial institution, the Company shall be deemed not to have accepted the payment and this policy shall be void.

If I make my initial payment by credit card, the coverage afforded under this policy is conditioned on payment to the Company by the card issuer. I understand that if the Company is unable to collect my initial payment from the card issuer, the Company shall be deemed not to have accepted the payment and this policy shall be void. I also understand that if I authorize a credit card transaction for any payment other than the initial payment, this policy will be subject to cancellation for nonpayment of premium if the Company is unable to collect payment from the card issuer. The Company is deemed "unable to collect" in the following instances: (1) when I reach my credit limit on my credit card and the card issuer refuses the charge; (2) when the card issuer cancels or revokes my credit card; or (3) when the card issuer does not pay the Company, for any reason whatsoever, upon the Company's request.

I understand that the maximum limit for Comprehensive and Collision Coverage (if purchased) is the Actual Cash Value of the vehicle at the time of the loss, less the deductible, or the amount displayed on the declaration page, whichever is

(Programming note: For customers who e-sign, "Policy number, <XXXXXXXX-X>" will print if available.)

Policy number: <XXXXXXXX-X>
<XXXXX XXXXXXXXXXXXXXXXX>
< XXX XXXXXXXXXXXXXXXXX>
Page <X of X>

(Programming note: "Page <X of X>" will not print for e-sign.)

less; unless Total Loss Replacement/Purchase Price or Agreed Value Coverage options are selected, in which case the maximum limits are determined as provided for in the policy contract.

I affirm that none of the listed watercraft are used for commercial purposes or as a primary residence. I also affirm that the watercraft are in seaworthy condition and that they are in compliance with all published United States Coast Guard safety standards and provisions.

Other charges

I understand that the company may retain a cancellation fee if this policy is canceled at my request, or if cancellation is for nonpayment of premium, during the initial policy period.

I agree to pay the installment fees shown on my billing statement that become due during the policy term and each renewal policy term in accordance with the payment plan I have selected. I understand that the amount of these fees may change upon policy renewal or if I change my payment plan. Any change in the amount of installment fees will be reflected on my payment schedule.

I understand that a ~~service charge~~ returned payment fee of <\$XX.XX> will be assessed to the balance due on my policy if any check offered in payment is not honored by my bank or other financial institution. Imposition of such charge shall not deem the Company to have accepted the check unconditionally.

I agree to pay a late fee of <\$XX.XX> during the policy term and each renewal policy term when either the minimum amount due is not paid or payment is postmarked more than <XX> days after the premium due date. The amount of this fee may change upon policy renewal.

(Programming note: The "Applicant signature" heading and the three paragraphs under the heading print for customers who elect to sign their application electronically.)

Applicant signature

(Programming note: First and last name of primary named insured will display in variable text field.)

I represent that I, <XXXXXXXXXXXXXXXX>, am the person identified as the named insured and the first driver in the Drivers and household residents section of this application. I acknowledge and agree to the statements contained within this application.

I also acknowledge and agree that by typing my name in the designated boxes on the screen below this form and clicking "Continue", I am electronically signing this application, which will have the same legal effect as the execution of this document by a written signature and shall be valid evidence of my intent and agreement to be bound by its terms.

I understand that my name already appears in the signature line below because I chose to electronically sign this application.

(Programming note: The signature line will appear on all applications.)

(Programming note: Pre-fill name and date for those who elect to sign electronically.)

(Programming note: For Direct, "Not Applicable/Sample Form" will print on the signature line for unsold applications, or in the event the customer fails authentication or fails to e-sign.)

Signature of named insured

Date

X

(Programming note: For customers who e-sign, "Policy number, <XXXXXXXX-X>" will print if available.)

Policy number: <XXXXXXXX-X>
<XXXXX XXXXXXXXXXXXXXXXX>
< XXX XXXXXXXXXXXXXXXXX>
Page <X of X>

(Programming note: "Page <X of X>" will not print for e-sign.)

~~Note: The section below will not print for Direct.~~

~~**Producer signature**~~

~~The undersigned represents and certifies that the information contained herein is correct to his or her knowledge; that this application was completed and then signed by the insured; that a completed copy has been given to the insured; and that the undersigned will retain a signed copy hereof.~~

~~Signature of producer _____ Date _____ Time _____~~

~~X _____~~

Form 4999 AR (02/06/08)

Important notice about upcoming changes in your coverage

Before you renew your policy, we want to let you know about some upcoming changes in your policy contract. Your renewal policy will contain several increases as well as several decreases in coverage. Overall, we think you will find that your new policy will be better than your current policy. This is a summary of the changes in coverage under the new policy. This summary provides a basic outline of the changes. Please refer to the enclosed policy contract for more details. If there are differences between this summary and the policy contract, the policy contract will control.

Increases in coverage

| | Under your current policy: | Under your renewal policy: |
|--|---|---|
| All Parts | Coverage in Parts I, II, IV, and V is excluded while a covered watercraft is rented to others. | This exclusion will no longer apply if you or a relative are operating the covered watercraft. |
| | Coverage under Parts IV, V and VI is excluded for loss caused by insects, animals, or vermin. | This exclusion does not apply if the watercraft was secured with a fitted cover at the time of loss. It also does not apply to impact with animals. |
| Part I – Liability to Others | Coverage is provided for damage to a ramp, dock, mooring device or boat storage house rented by you only if damaged by a covered watercraft or trailer. | The covered watercraft requirement has been removed. |
| | Coverage is excluded for your relatives' use of a watercraft that is not listed on the policy and is owned by anyone who resides with you. | Coverage is provided for your relatives' use of a watercraft or trailer owned by non-relatives who reside with you, provided the watercraft or trailer is not furnished or available for the regular use of you or your relative. |
| | Coverage is provided for any legally-required raising, removal or destruction of covered watercraft. | Coverage is extended to also apply to towing and to watercraft of others. |
| | When an insured person or resident relative is driving a non-owned watercraft, the owner of that watercraft must have given express or implied permission in order for coverage to apply. | Coverage applies if the owner of a non-owned watercraft or the person in lawful possession of the non-owned watercraft gave permission. |
| | | |
| Part II – Medical Payments Coverage | You and your relatives are not covered if struck by a watercraft trailer while not occupying a watercraft or trailer. | You and your relatives are covered if struck by a watercraft trailer while not occupying a watercraft or trailer. |
| | The policy does not expressly provide coverage if a medical services provider sues an insured person for expenses we deem unreasonable or unnecessary. | Coverage is provided if a medical services provider sues an insured person for expenses we deem unreasonable or unnecessary. |

Part III – Uninsured Boater Coverage

Under your current policy:

Under your renewal policy:

| | |
|--|--|
| Coverage is not provided for persons, other than you and resident relatives, occupying watercraft trailers. | Coverage is provided for occupants of watercraft trailers. |
| Coverage is not provided when hit-and-run watercraft strike your watercraft trailer. | Coverage is provided when hit-and-run watercraft strike your watercraft trailer. |
| Uninsured Boater Coverage (UB) is considered excess coverage for guest passengers occupying your covered watercraft. This means that it pays for injuries suffered by these passengers only after other available UB insurance has paid first. | UB will be considered primary coverage for everyone in your covered watercraft. This means that guest passengers do not need to make a claim under their own policy first. |

Part IV – Physical Damage Coverage

| | |
|---|--|
| Coverage is excluded for any loss caused by wear and tear, defect, or breakdown of a trailer. | Coverage is provided for loss to watercraft due to wear and tear, defect or breakdown of a trailer. |
| If two or more deductibles apply to a covered loss, the highest deductible will be used. | If two or more deductibles apply to a covered loss, the lowest deductible will be used. |
| Roadside Assistance coverage does not apply when you use an unauthorized service provider. | Roadside Assistance coverage applies when you use an unauthorized service provider, after coverage from any other collectible insurance or towing protection is exhausted. |

Part VI – Fishing Equipment Coverage

| | |
|--|---|
| Theft of fishing equipment is not covered unless the equipment was in a locked compartment or cabin and there is evidence of forcible entry. | The locked compartment or cabin requirement has been removed in cases of theft from a watercraft. |
|--|---|

Part VII – Duties in Case of an Accident or Loss

| | |
|---|---|
| An insured is required to report a claim to us within 24 hours for coverage to apply. | This requirement has been modified. An insured is simply required to report a claim to us promptly for coverage to apply. |
|---|---|

Part VIII – General Provisions

| | |
|---|---|
| The coverage for a covered watercraft automatically terminates if there is any other insurance covering the covered watercraft. | If you obtain other insurance on a covered watercraft, any similar insurance provided under your policy with us, rather than the entire policy, terminates. |
|---|---|

Part VIII – General Provisions
continued

| Under your current policy: | Under your renewal policy: |
|---|---|
| If you wish to bring legal action against us, you must do so before the statute of limitations for bodily injury in your state has expired. | This provision has been deleted. |
| The policy may be voided if you or anyone covered under your policy commits fraud. | The policy may be voided if the named insured or a resident spouse commits fraud. |

Decreases in coverage

All Parts

| Under your current policy: | Under your renewal policy: |
|--|---|
| Coverage is not specifically excluded for injury or damage caused while an insured person is committing a crime. | An exclusion has been added to exclude injury or damage caused while an insured person is committing a crime. This exclusion does not apply to watercraft operation violations not punishable by incarceration. |
| The policy does not address whether coverage may be stacked (limits of liability added together) if the named insured has more than one policy due to having more than four watercraft insured by us. | Coverage may not be stacked if the named insured has more than one policy due to having more than four watercraft insured by us. |
| The policy does not address whether we have the option to pay for loss in money or repair or replace damaged or stolen property. | The option is ours under Parts IV, V, and VI. |
| The policy does not specify that the limits of liability apply regardless of the number of non-owned trailers involved in an accident. | The limits of liability apply regardless of the number of non-owned trailers involved in an accident. |
| Coverage applies to: a. watercraft you become the owner of during the policy period, in addition to watercraft listed on the policy, for a period of 30 days after you become the owner; b. all watercraft trailers owned by you; and c. watercraft and trailers furnished or available for the regular use of you or a resident relative even if those watercraft and trailers are not listed on the policy. | Coverage applies to: a. additional watercraft only if you notify us within 30 days of becoming owner of the watercraft and pay any additional premium due; b. watercraft trailers owned by you only if listed on the policy; and c. watercraft and trailers furnished or available for the regular use of you or a resident relative only if listed on the policy. |

All Parts
(continued)

Under your current policy:

Under your renewal policy:

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| <p>Exclusions include (without limitation):</p> <ul style="list-style-type: none"> a. use of a watercraft or trailer for commercial or business purposes; b. loss or injury sustained during organized racing activities; c. loss or injury while a covered watercraft is leased to others; d. damage intentionally caused by an insured person; e. losses insured against under a nuclear energy liability insurance contract; f. under Parts IV, V and VI, loss caused by manufacturing or latent defects; and g. under Parts V and VI, theft of personal effects or fishing equipment by, or at the direction of, you or a relative. | <p>Exclusions also include (without limitation):</p> <ul style="list-style-type: none"> a. use of a watercraft or trailer to carry persons or property for compensation or a fee; b. loss or injury sustained while boating on a racecourse; c. loss or injury while a covered watercraft is given to others in exchange for any compensation; d. unintended injuries or damage caused by intentional acts; e. losses beyond the limits of liability of a nuclear energy liability insurance contract; f. loss caused by design defects; and g. theft occurring before the property or fishing equipment is delivered to you or a relative. |
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Part I – Liability to Others

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| <p>The policy does not address whether expenses payable under Part II will be paid under Part I.</p> | <p>Expenses payable under Part II will not be paid under Part I.</p> |
| <p>The policy does not specify whether a watercraft and accompanying trailer are considered one watercraft for purposes of determining the limits of liability.</p> | <p>A watercraft and accompanying trailer are considered one watercraft for purposes of determining the limits of liability.</p> |

Part II – Medical Payments Coverage

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| <p>Coverage is excluded while a watercraft is used as a primary or permanent residence.</p> | <p>Coverage is excluded while a watercraft or trailer is located for use as a residence or premises.</p> |
| <p>Coverage is not excluded:</p> <ul style="list-style-type: none"> a. for an insured’s use of a watercraft trailer without permission of the owner of the trailer; or b. in case of war or discharge of certain hazardous materials. | <p>Coverage is excluded:</p> <ul style="list-style-type: none"> a. for an insured’s use of a watercraft trailer without permission of the owner of the trailer; and b. in case of war or discharge of certain hazardous materials. |
| <p>The policy does not provide that coverage for trailers, other than those listed on the policy, is excess over other insurance or bonds.</p> | <p>Any coverage for you or a resident relative while occupying trailers not owned by you or a resident relative and not listed on the policy is excess over other insurance or bonds.</p> |

Part III – Uninsured Boater Coverage

| Under your current policy: | Under your renewal policy: |
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| You do not need to obtain our written consent to settle a claim against an owner or operator of an uninsured watercraft. | UB coverage is excluded if an insured person settles a claim against an owner or operator of an uninsured watercraft without our written consent. |
| An uninsured watercraft does not include any watercraft owned by you or a resident relative. | An uninsured watercraft does not include any watercraft, trailer or equipment owned by or furnished or available for the regular use of you or a resident relative, or that is being towed or carried by a land motor vehicle. |
| Coverage is not expressly excluded for accidents involving a watercraft being towed by a land motor vehicle. | Coverage is excluded for accidents involving a watercraft or trailer being towed by a land motor vehicle. |
| The policy does not address whether expenses payable under Part II will be paid under Part III. | Expenses payable under Part II will not be paid under Part III. |
| Coverage is excluded for loss covered under workers' compensation, disability benefits law or Jones Act. | Coverage also is excluded for loss covered under the Federal Longshoremen's and Harbor Workers' Compensation Act. |

Part IV – Physical Damage Coverage

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| You are not required to purchase liability insurance through a licensed Mexican insurance company for coverage to apply in Mexico. | You are required to purchase liability insurance through a licensed Mexican insurance company for coverage to apply in Mexico. |
| There is no provision under Disappearing Deductibles that payment for loss to a trailer resets the deductible to the amount you elected. | Under Disappearing Deductibles, payment for loss to a trailer resets the deductible to the amount you elected. |
| The policy does not address whether Disappearing Deductibles reduces deductibles for loss to marine electronics. | Disappearing Deductibles does not reduce deductibles for loss to marine electronics. |
| Coverage is reduced where there is other applicable insurance. | Coverage is reduced where there is other applicable insurance or any other source of recovery. |

**Part V – Replacement
Cost Personal Effects
Coverage**

Under your current policy:

Under your renewal policy:

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| <p>Exclusions include (without limitation):</p> <ul style="list-style-type: none"> a. intentional acts by or directed by you or a relative; and b. loss or injury sustained while a watercraft is rented to others. | <p>Exclusions also include (without limitation):</p> <ul style="list-style-type: none"> a. intentional acts by or directed by the owner of non-owned personal effects; and b. loss or injury sustained while the watercraft or personal effects are leased or rented to others or given in exchange for compensation. |
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**Part VI – Fishing
Equipment Coverage**

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| <p>Coverage is excluded while the fishing equipment is rented to others.</p> | <p>Coverage is excluded while the fishing equipment or covered watercraft where the fishing equipment is located is leased or rented to others or otherwise given to others in exchange for compensation.</p> |
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**Part VII – General
Provisions**

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| <p>You must notify us of changes in your address, addition or deletion of resident operators, and your acquisition of additional or replacement watercraft.</p> | <p>You also must notify us of changes as to who regularly operates a covered watercraft, and changes in an operator’s marital status.</p> |
| <p>The policy does not expressly address whether you must follow all customary and manufacturer-recommended maintenance guidelines.</p> | <p>You must follow such guidelines.</p> |



June 07, 2008

FILED VIA SERFF

Arkansas Insurance Department
Property & Casualty Division
1200 West Third Street
Little Rock, AR 72201-1904

RE: Form Filing - 09.0 Inland Marine/09.0006 Other Personal Inland Marine - Our File # L080230-AR-BT
PROGRESSIVE CASUALTY INSURANCE COMPANY (NAIC # 155-24260)
PROGRESSIVE DIRECT INSURANCE COMPANY (NAIC # 155-16322)
PROGRESSIVE NORTHWESTERN INSURANCE COMPANY (NAIC # 155-42919)

Arkansas Boat and Personal Watercraft Policy – Form 2747 AR (06/08)
Arkansas Combo (Agency/Direct) Application – Form 4999 AR (06/08)
Coastal Navigation Endorsement – Form 4984 (09/07)

Please find included with this SERFF filing the above-captioned forms for your review and approval. The proposed effective date for this filing is November 14, 2008. We will notify you if this date changes.

The **Arkansas Boat and Personal Watercraft Policy – Form 2747 AR (06/08)** is an Arkansas-specific adaptation of the model boat and personal watercraft policy developed for use in every state. It will replace the Arkansas Boat and Personal Watercraft Policy – Form No. 2649 AR (12/07) that was approved on January 29, 2008, in your File # AR-PC-07-026418. A comparison document is included to assist you in reviewing all changes.

The Important Notice About Upcoming Changes in Your Coverage – Form Z571 AR (06/08) summarizes substantive changes to the policy and is submitted for informational purposes only and not for review and approval.

The **Arkansas Combo (Agency/Direct) Application – Form 4999 AR (06/08)** will replace the Arkansas COMBO (Agency/Direct) Application – Form 4999 AR (02/06) that was approved for use on July 27, 2006, in your File # AR-PC-06-018658. A comparison document has been included to assist you in your review.

The **Coastal Navigation Endorsement – Form 4984 (09/07)** replaces the Coastal Navigation Endorsement – Form 4984 (05/04), which was approved on July 27, 2006, in your File # AR-PC-06-018658. The Coastal Navigation Endorsement – Form 4984 (09/07) endorses the Arkansas Boat and Personal Watercraft Policy – Form 2747 AR (06/08) and will issue whenever an insured has paid a premium for coastal navigation coverage of 125 nautical miles. A comparison document has been included to assist you in your review.

We have included the required NAIC Property & Casualty Transmittal Document and Certificate of Readability. The required filing fee in the amount of \$50.00 is being submitted via SERFF EFT.

If you have any comments or questions with respect to this filing, please feel free to e-mail me at the address below or call me at 800-321-9843, network extension 625-3013. Thank you in advance for your attention to this filing.

Sincerely,

Edward P. Simms
Senior Counsel
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E-mail: edward_p_simms@progressive.com

EPS/emr