

Policy No. PT 000-05-87

Work Sheet Only

Effective Date From: 07/14/2023 to 07/14/2024 at 12:01 a.m. Standard Time at place of issuance.

Producer: 971015
Smith-Merritt Insurance, Inc.
2931 NE 16th Street
Pompano Beach, FL 33062

Named Insured:
Ronald Linares
2930 NE 23rd Court
Pompano Beach, FL 33062

Coverage applies to items below only when amount and limits are specified.

Coverage Description	Limits	Deductible	Premium
Hull, Equipment and Machinery	\$325,000	\$16,250	\$3,950
Personal Effects	\$10,000	\$250	\$150
Trailers	N/A	\$250	N/A
Emergency Towing and Assistance	\$500	N/A	incl.
Watercraft Liability	\$500,000	N/A	\$330
Longshore & Harbor Workers`	Statutory	\$0	incl.
Marine Environmental Damage	\$25,000	N/A	incl.
OPA 90 Pollution Limits	\$1,076,000	\$0	incl.
Medical Expense	\$10,000	\$0	incl.
Uninsured Boaters	\$250,000	\$0	incl.

Endorsements: CLAIM REPORTING POLICYHOLDER NOTICE, PT BOAT POLICY FORM, GPS TRACKING WARRANTY, PT 01 52
04 22 NAMED WINDSTORM EXCL ENDO, NAMED OPERATOR WARRANTY - CENTER CONSOLE, ADDITIONAL
INSURED, NOTICE OF CANCELLATION - FLORIDA, ADDITIONAL INSURED \$0

Additional Premium Due \$0 **Total Premium** \$4,430

Total Premium plus Policy Fee \$4,465

Primary Mooring Location: Pompano Beach, FL 33062

Description of Vessel: Year Built: 2015 Manufacturer: INTREPID BOAT WORKS

Length: 37 Ft Model: 375

Name: ISLAND GIRL

Hull Serial # IBW37868F415

Description of Motors:	Number	Year Built	Manufacturer	Serial#
	1	2015	YAMAHA	6AXX1005917A
	2	2015	YAMAHA	6AWU1009835
	3	2015	YAMAHA	6AWX1009686A

Navigation Limits Warranty: Warranted confined to the use and navigation of Inland waters, Atlantic coastal and Gulf coastal waters of Florida not west of Cedar Key, Florida. Limits include the Bahamas.

Countersigned: 07/06/2022

Maritime Program Group, Inc.

Policy #: PT 0000587

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

GPS TRACKING WARRANTY

This endorsement modifies insurance provided under the following:

WATERCRAFT COVERAGE PART

The following is added to Section V. Physical Damage 2.B. Theft:

v. The insured watercraft must be equipped with a monitored GPS vessel tracking security system. The requirements of the system are:

- 1) The system must be designed for ocean marine vessels and include capability for tracking worldwide;
- 2) The system must be connected to the vessel's DC power supply and have a battery backup;
- 3) The GPS unit must be permanently affixed to the hull of the insured vessel in an area of the vessel that is not easily accessible and must not be visible; and
- 4) The monitoring account must be active, functional and continuously monitored at all times during the policy period.

Policy #: PT 0000587

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED WINDSTORM EXCLUSION

This endorsement modifies insurance provided under the following:

WATERCRAFT COVERAGE PART

A. The following is added to SECTION IV – GENERAL EXCLUSIONS:

We will not pay for loss or damage:

1. Caused directly or indirectly by a Named Windstorm, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage; or
2. Caused by rain, sleet, snow, sand or dust, whether driven by wind or not, that occurs as a result of, or concurrently with, the Named Windstorm.

B. SECTION V – PHYSICAL DAMAGE, E. Named Windstorm Extra Expense is deleted

C. The following replaces Paragraph 17. of SECTION II – DEFINITIONS:

17. Named Windstorm means a storm system that has been identified as a tropical storm or hurricane and assigned a name or number by the National Hurricane Center or the Central Pacific Hurricane Center of the National Weather Service (hereafter referred to as NHC and CPHC). Under the terms of this endorsement, a Named Windstorm begins at the time a Watch or Warning is issued by the NHC or CPHC for the area in which the affected premises are located, and ends 72 hours after the termination of the last Watch or Warning issued for that area by the NHC or CPHC.

Policy #: PT 0000587

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NAMED OPERATOR WARRANTY – CENTER CONSOLE

This endorsement modifies insurance provided under the following:

WATERCRAFT COVERAGE PART

Schedule

Named Operator(s):

Ronald Linares (DOB: 3/12/1964)

Section III General Conditions 1.c. is amended as follows:

- c. The **named operator** listed above will be at the helm, solely in control and exclusively operating all aspects of steering and throttle of the **insured watercraft**.

Policy #: PT 0000587

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

WATERCRAFT COVERAGE PART

Schedule

Person or Organization

Marina One Inc, and Vortex LLC, 508 and 609 N. Federal Hwy, Deerfield Beach, FL 33441

The following is added to Section II. Definitions 10. Insured:

- a. The person(s) or organization(s) shown in the Schedule is included as an additional insured on this policy, but only as their interest may appear in the vessel described herein and for the liability arising out of the sole negligence of the **insured**, as defined in the policy. It is further agreed that the additional insured is named as such for the purpose of bodily injury and property damage liability in connection with the **insured's** ownership, maintenance and operation of the **insured watercraft**.

Policy #: PT 0000587

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

NOTICE OF CANCELLATION - FLORIDA

This endorsement modifies insurance provided under the following:

WATERCRAFT COVERAGE PART

Section III. General Conditions 4. is replaced as follows:

4. Notice of Cancellation

You may cancel this policy by returning it to us or our authorized agent, or by advising us or our authorized agent in writing, stating the future date you want the policy to be cancelled.

We may cancel this policy by delivering or mailing notice of cancellation to the first named **insured** at the last address shown in our records at least:

- a. Ten (10) days' notice if cancellation is for nonpayment of premium
- b. Forty-five (45) days' notice in all other cases.

Policy #: PT 0000587

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

WATERCRAFT COVERAGE PART

Schedule

Person or Organization

MHC Hidden Harbour, LLC 2315 NE 15 St Pompano Beach, FL 33062

The following is added to Section II. Definitions 10. Insured:

- a. The person(s) or organization(s) shown in the Schedule is included as an additional insured on this policy, but only as their interest may appear in the vessel described herein and for the liability arising out of the sole negligence of the **insured**, as defined in the policy. It is further agreed that the additional insured is named as such for the purpose of bodily injury and property damage liability in connection with the **insured's** ownership, maintenance and operation of the **insured watercraft**.

CLAIM REPORTING POLICYHOLDER NOTICE

To report a claim under the policy:

- Include your Policy Number and / or Claims Number in all communication with us.
- Provide us with a copy of any suit, demand for arbitration or mediation, claims letter or similar notice.
- Send copies of any reports related to the loss.

To report a claim by phone:	1(800) 882-5414
To report a claim online:	https://www.maritimepg.com/claims/yacht-vessel-claim-form/

In the event of any loss, once life safety has been preserved, please note that it is your responsibility to act prudently in order to mitigate any loss, to prevent further loss and to minimize your exposure. If your loss involves any third party, please gather and record all contact information so that you will be able to relay that information to your claims handler. If your loss involves a maritime pollution incident, you must, by law, notify the MarPOL NRC Hotline at 800-424-8802 and take appropriate actions as directed.

Should you be involved in a collision or an incident involving personal injury or third party property damage, be sure to gather as much contact information as possible on the other involved parties (names, addresses, telephone numbers and emails). Capture the identity of the other vessel involved (if any) by photos or documenting the name, registration number, documentation number and Hull Identification Number (HIN) if possible. If USCG/Law Enforcement is involved, capture the name, rank, badge number of the officers involved as well as the Incident Number or Case Number (MSLE Activity Number). Do not admit fault or make any statements other than to law enforcement in conjunction with any ongoing investigation.



BOAT INSURANCE POLICY

ED 08-22

Maritime Program Group, a subsidiary of One80 Intermediaries

70 Essex Road, Westbrook, CT 06498

PRIME TIME BOAT INSURANCE POLICY

READ YOUR POLICY CAREFULLY

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SECTION I - INSURING AGREEMENT

In return for the premium payment and compliance with all applicable provisions of this policy and any endorsements, we agree to provide the insurance coverages as shown on the Declarations Page, which is part of this policy.

By accepting this policy, you agree that the statements on the Declarations Page and any application are your agreements and representations. This policy is issued in reliance upon the truth of your representations during the application process and it includes all agreements existing between you and us or any of our representatives.

It is warranted that the **insured watercraft** is seaworthy at the inception of this insuring agreement. Violation of this warranty voids this insuring agreement from its inception.

SECTION II - DEFINITIONS

Throughout this policy, most words and phrases that have special meanings appear in bold. Only the pronouns "we", "our", "us", "you", "your" and "yours" are defined, but do not appear in bold. This section defines some of the more general terms used in this policy. Bold terms that are not listed in this section are defined within the sections they appear.

1. You, your and yours refer to the '**Insured**' named on the Declarations Page and your spouse if a **resident** of the same household.
2. The words we, us and our refer to the company, shown on the Declarations Page, who is providing this insurance.
3. **Actual cash value** means the cost to repair or replace the lost or damaged property less depreciation.
4. **Beneficial owner** means individual(s) that control the corporation either through stock or corporate office.
5. **Bodily injury** means physical injury, sickness or disease sustained by a person including death resulting from any of these.
6. **Constructive total loss** means that the expense of recovering and repairing the **insured watercraft** will exceed 80% of the applicable Hull, Equipment & Machinery limit of insurance.
7. **Contaminant** means any petroleum product, chemical, lubricant, or solvent normally associated with the use and operation of the **insured watercraft**.
8. **Design defect** means a flaw in the structural plan of the **insured watercraft's** hull, equipment or machinery, or any of its components, including improper specification of materials or combination of materials. **Design defect** does not include wear and tear, gradual deterioration, corrosion, rust, electrolysis, osmosis, weathering, **latent defects**, or **manufacturer's defects**.
9. **Family member** means any person related to you by blood, marriage, or adoption (including a ward or foster child) who is also a **resident** of your household. In the event the **insured** is a corporation, **family member** means any person related to the **beneficial owner** by blood, marriage, or adoption (including a ward or foster child) who is also a **resident** of the household of the **beneficial owner**.
10. **Insured** means you and any other person operating the **insured watercraft** with your prior permission. This does not include: a paid captain or paid crewmember or a person or organization or their agent or employee or operator of a marine shipyard, yacht club, charter operation, sales agency or like organization unless agreed by us and amended by endorsement. If a corporation or other entity is described as the **insured** on the Declarations Page, then the following are **insureds**: officers, directors, managers and individuals that hold or control more than 10% of the ownership of the corporation or entity.
11. **Insured watercraft** means the watercraft and motor(s) shown on the Declarations Page, including machinery and equipment necessary for the safe operation and maintenance of the watercraft.

12. **Latent defect** means a flaw in the material of the **insured watercraft's** hull, equipment or machinery existing when the **insured watercraft** or its components were built and not discoverable by common means of testing. **Latent defect** does not include wear and tear, gradual deterioration, corrosion, rust, electrolysis, osmosis, weathering, inherent vice, **manufacturer's defects**, or **design defects**.
13. **Manufacturer's defect** means the improper, incorrect or inadequate manufacturing or fabrication process of the **insured watercraft's** hull, equipment or machinery or any of its components. **Manufacturer's defect** includes improper choice of materials or combination of materials. **Manufacturer's defect** does not include wear and tear, gradual deterioration, corrosion, rust, electrolysis, osmosis, weathering, inherent vice, **latent defects**, or **design defects**.
14. **Marine environmental damage** means the physical injury to or the alteration or destruction of coastal or marine habitat through physical contact with the **insured watercraft**.
15. **Named operator** means only the person(s) whom we have approved and listed by endorsement.
16. **Named windstorm** means named or numbered tropical depressions, tropical storms, or hurricanes, as designated by the National Weather Service and/or National Hurricane Center.
17. **Occurrence** means a single event, or an accident or series of accidents caused by a single event.
18. **Oil pollution incident** means the sudden, accidental and unexpected emission, discharge, release, leakage, escape or spillage of a **contaminant** from an **insured watercraft** in an accident that is specific in place and time within the policy period.
19. **Powertrain** means the motor(s) or engine(s), transmission(s), drive(s), running gear(s), prop shaft(s) or any other component(s) thereof.
20. **Primary mooring location** means the dock, mooring, marina, dry rack facility, residence or other location declared on the application for insurance as the place where the vessel is customarily stored or maintained when not in use.
21. **Property damage** means damage to tangible property.
22. **Resident** means any person who lives in your home. If the **insured** is a corporation, **resident** means any person who lives with the **beneficial owner** at the **beneficial owner's** home.
23. **Tender** means the **insured watercraft's tender** (dinghy) and the motor, provided you are the owner and the **tender** is used to service the **insured watercraft**.
24. **Uninsured watercraft** means a waterborne vehicle of any type:
 - a. To which no **bodily injury** bond or policy applies at the time of the **occurrence**.
 - b. Which is a watercraft whose operator or owner cannot be identified and comes in physical contract with:
 - 1) you or a **family member** while on board the **insured watercraft**; or
 - 2) an **insured watercraft**

An **uninsured watercraft** does not include any watercraft or equipment:

- a. Owned, operated by, or available for the regular use of an **insured** or a **resident**; or
- b. Owned by any governmental unit or agency

SECTION III - GENERAL CONDITIONS & WARRANTIES

1. Use of the **insured watercraft**

The following constitute express warranties by the insured. All coverage provided under this policy is null and void in the event any of the following warranties are breached:

- a. The **insured watercraft** is for private pleasure use only. Coverage is not provided for charter, hire, lease or any other commercial use. Recreational entertaining of the **insured's** business clients on the **insured watercraft** is not considered commercial use.
- b. The **insured watercraft** may not be transported over land outside of the continental United States. While being towed over land on a trailer, the weight of the **insured watercraft**, trailer and any other equipment may not exceed the towing capacity as provided by the manufacturer of the towing vehicle. If your **insured watercraft** is designed to be trailerable and is being towed by you and you are complying with all statutes and laws, we will pay for any loss of or accidental damage to the **insured watercraft** while it is in transit by land within 500 miles radius from the normal place of storage as stated within your signed application.
- c. The **insured**, or individual granted permissive use, must be aboard and in command of the **insured watercraft** while underway.

2. **Policy Period/Territory**

This policy applies only to loss which occurs during the policy period as shown on the Declarations Page and:

- a. on land within the United States of America; or
- b. while the **insured watercraft** is within the 'Navigation Limits' shown on the Declarations Page.

3. **Concealment, Misrepresentation or Fraud**

All insurance provided by this policy will be null and void if you, at any time, either conceal or misrepresent any fact, regardless of materiality, or if you misrepresent or conceal any material fact regardless of intent before or after loss. No action or inaction by us will be deemed a waiver of this provision.

4. **Notice of Cancellation**

You may cancel this policy by returning it to us or our authorized agent, or by advising us or our authorized agent in writing, stating the future date you want the policy to be cancelled.

We may cancel this policy by delivering or mailing notice of cancellation to the first named **insured** at the last address shown in our records at least:

- a. Ten (10) days before the cancellation takes effect if:
 - i. The cancellation is for nonpayment of premium; or
 - ii. This policy has been in effect for less than sixty (60) days and is not a renewal policy.
- b. Thirty (30) days before the cancellation takes effect in all other cases.

After this policy has been in effect for sixty (60) days, or if this is a renewal policy, we will cancel only:

- a. For nonpayment of premium due;
- b. For misrepresentation or fraud;
- c. For substantial breach of your duties under this policy;
- d. If the risk changed substantially since the policy was issued; or
- e. For failure to comply with our underwriting requirements within sixty (60) days of the term effective date.

Proof of mailing of this notice to you will be sufficient proof that notice of cancellation was given. The date of the cancellation stated in the notice will become the end of the policy period.

This policy will terminate without any written notice and all premiums will be deemed fully earned by us when we pay for a total loss or a **constructive total loss**.

5. **Return Premium**

If this policy is cancelled, you may be entitled to a premium refund. If we cancel the policy, any return premium will be computed on a pro-rata basis. If you cancel the policy, any return premium will be computed on a 90% pro-rata basis. The return premium cancellation is subject to a 25% minimum earned premium. Any return premium will be paid to you within a reasonable amount of time after the cancellation.

In the event of a total loss or **constructive total loss** the premium is fully earned.

6. Choice of Law and Conformity to Statute

This policy is subject to established principles and precedents of federal maritime law of the United States of America, but where no substantive principle or precedent is applicable then the law of the state of New York shall apply without regard to conflicts of law principles. Any provision of this policy that conflicts with applicable law or regulation is hereby amended to conform to the minimum requirements of the law or regulation.

7. Policy Changes

No change or waiver may be effected in this policy except by endorsement issued by us. If a premium adjustment is necessary, we will make the adjustment as of the effective date of the change.

8. Legal Action Against Us

- a. No suit or action may be brought against us unless there has been full compliance with all terms of this policy.
- b. With respect to coverage provided under **Section V Physical Damage**, no suit or action may be brought against us unless the action is brought within 12 months after the date you first have knowledge of the loss.
- c. With respect to all other coverage under this policy, no suit or action may be brought against us until the amount of a claim against you has been determined or agreed upon.
- d. Nothing in this policy gives any person or organization the right to join us as defendants in a suit brought against you.

9. No Benefits to Others

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

10. Transfer of Interest

If the **insured watercraft** is sold, transferred to a new owner, or the controlling interest in the owning legal entity is changed, this insurance will be void and of no further force and effect and cancelled from the time of such sale, transfer or change of ownership. Voluntary or involuntary surrender of the **insured watercraft** to a financial institution under foreclosure or repossession is considered a transfer of controlling interest. In the event of your death, this policy will remain in effect subject to the **named insured(s)** provisions until the end of the policy period for:

- a. Persons covered under this policy at the time of your death;
- b. Your legal representative while acting within the scope of duties of a legal representative; or
- c. Any person having proper custody of the **insured watercraft** until a legal representative is appointed.

11. Right of Recovery

You may have the right to recover from another party who is responsible for your loss. If we pay your loss under this policy, this right of recovery will belong to us up to the amount that we have paid you. If you, or anyone acting on your behalf, take any action that impairs our right to recover, we shall consider this policy void and without effect as to such loss. However, signing written contracts for storage or slip rental, prior to any loss, that include a waiver of subrogation provision will not void this policy.

12. Claim or Suit Against You

You must immediately notify us and send us every demand notice, summons or other legal papers received by you or your representative if a claim is made or a suit is brought against you for liability that is covered under this policy.

13. General Duties Following a Loss

You must report immediately to us or our authorized agent any accident, loss, damage, or expense which may be covered under this policy. This report should give full details about when and where the loss occurred, how it happened and the name and address of all the people involved including all witnesses. You are required to immediately notify the authorities of any collision, theft, vandalism or malicious damage to your **insured** property or if any injury is involved. You must also permit us to inspect any damage before repairs are made.

If requested by us, you must file within thirty (30) days thereof, with us or our authorized agent, a written statement about the details of the loss. This statement must be signed and sworn by you.

You, as often as we may reasonably require, will:

- a. Exhibit to any person we designate all that remains of any property that may be covered under this policy;
- b. Submit and subscribe to examinations under oath by any person named by us. You must produce **family members**, the **named operator** and/or the individual granted permissive use for examination under oath upon demand. If the **insured** is a corporation or other entity, then the officers, directors or managers shall submit to examinations under oath upon demand. If more than one person is examined, we have the right to examine and receive statements separately from each person and not in the presence of the others;
- c. Produce for examination and permit extracts and copies of all books of account, bills, invoices, other vouchers and any other tangible items related to the claimed loss, or certified copies thereof if the originals are lost, at such reasonable time and place as may be designated by us or our representative.

You must cooperate with us in the investigation, defense or settlement of any loss.

If you do not comply with these general duties, no coverage for the loss will be provided.

14. Other Insurance

This insurance is excess over and will not contribute with any other applicable insurance whether such insurance is primary, excess, contingent or issued on any other basis, whether such insurance is collectable or not.

15. Non-Renewal

If we decide not to renew your policy, we or our authorized representative will mail to the first named **Insured**, at the address shown on the Declarations Page, written notice of nonrenewal. The written notice will be mailed to the first named **Insured** at least thirty (30) days before the end of the policy term. A copy of the notice will also be sent to any lienholder named on the Declarations Page. If we decide not to renew your policy, our mailing of notice to the address of the first named **Insured** shown on the Declarations Page will constitute proof of notice as of the date we mail it.

16. Non-Stacking of Limits

If multiple Coverage Parts on this policy apply to the same claim for damages, the payment for damages may not be combined with any other Coverage Part under this policy.

SECTION IV - GENERAL EXCLUSIONS

We will not pay for any of the following, or for loss or for damage caused by, resulting from or arising out of any of the following, regardless of whether the cause or event contributed concurrently or in any sequence or in any way to the loss:

1. War or any warlike operation. This includes declared and undeclared wars, civil wars, revolutions or any civil unrest.
2. We do not cover any loss, damage, claim or expense arising directly or indirectly, in whole or in part from a certified act of terrorism. For the purpose of this clause, "certified act of terrorism" means any act of terrorism as defined in and certified under the U.S. Federal Terrorism Risk Insurance Act of 2002, or any of its amendments.
3. The lawful or unlawful capture, seizure, requisition or detainment of your **insured watercraft** by a civil authority or any attempt at any of these.
4. An actual or threatened act involving a chemical, biological, bio-chemical or electromagnetic weapon, device, agent or material when used in an intentionally hostile manner.
5. Preparation for, instruction for, practice, or participation in any race, speed, or stunting contest.
6. Willful or intentional acts, misconduct or criminal act on the part of any **insured** or during any illegal activity on the part of any **insured**. This exclusion includes loss, damage, injury or liability occurring while any person is operating the **insured watercraft** with a blood or breath alcohol level equal to or in excess of the legal limit applicable for the operation of motor vehicles in the state where you reside or where the **insured watercraft** was operating at the time of loss, damage, injury or liability whether or not convicted.
7. INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIOCHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSIONCLAUSE

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith

In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to, by, or arising from

- 7.1 Ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- 7.2 The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- 7.3 Any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- 7.4 The radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes;
- 7.5 Any chemical, biological, bio-chemical, or electromagnetic weapon.

SECTION V - PHYSICAL DAMAGE

1. Coverage

A. Hull, Equipment and Machinery

i. Coverage

We will cover sudden accidental direct physical loss or damage to the **insured watercraft** during the effective dates of the policy occurring within the navigational limits as stated on the declarations Page subject to the terms and conditions of this policy.

SECTION III – GENERAL CONDITIONS & WARRANTIES paragraph 1.c. does not apply when the **insured watercraft** is lawfully in the care of, or being operated by, a service, repair or

storage, facility, marina, or boat launching facility, if such facility is not legally liable for damage to the **insured watercraft**.

ii. **Property Not Covered**

- 1) Dock boxes, moorings, cradles, lifts, or shore stations;
- 2) Fuel; or
- 3) Items which are covered elsewhere under this policy.

iii. **What We Pay**

- 1) In the event of a total loss or **constructive total loss** at our option we will:
 - a) Pay the limit on the Declarations Page for 'Hull, Equipment and Machinery' or
 - b) Replace the lost property with property of like kind and quality.subject to the applicable deductible amount stated on the Declarations Page.
- 2) If the **insured watercraft** is less than ten years of age, then in the event of a partial loss, we will pay subject to the applicable deductible the lesser of
 - a) The reasonable cost of repairs without deduction for depreciation; or
 - b) The cost to replace the lost or damaged property, with the lesser of:
 - i) New property of comparable material and quality, used for the same purpose; or
 - ii) Property of like kind, condition, quality and age.

However, the following items will be paid based upon **actual cash value**:

- a) Machinery inside the **insured watercraft** starting with the fifth year from the date of manufacture;
 - b) Outdrive units and outboards;
 - c) Batteries;
 - d) Paint or finishes (including anti-fouling paint);
 - e) Protective covers, upholstery, cushions, carpet or any fabric or canvas.
- 3) If the **insured watercraft** is ten years of age or more, than all partial losses will be paid on an **actual cash value basis** less the applicable deductible.

Age is calculated by subtracting the model year from the calendar year and adding one to the result.

We pay for repairs that are made in accordance with the manufacturer's specifications or accepted repair practices, including spot repair.

If the **insured watercraft** was damaged before the loss, we will not pay to repair the prior damage. In the event of a total loss or **constructive total loss**, the amount we will pay will be reduced to the cost that would have been incurred had the prior damage been repaired.

iv. **Exclusions**

We will not pay for any of the following, or for loss or for damage caused by, resulting from or arising out of any of the following, regardless of whether the cause or event contributed concurrently or in any sequence or in any way to the loss:

- 1) Wear and tear, gradual deterioration, inherent vice, marring, electrolysis, corrosion, galvanic action, rust, denting, scratching, dampness of atmosphere, weathering, osmosis, blistering, mold, mildew, wet or dry rot;

- 2) Birds, vermin, rodents, insects, animals, and marine life; however, if any of these results in fire, sinking, collision or stranding of the **insured watercraft**, the resulting **physical damage** will be covered;
- 3) Mechanical or electrical breakdown or overheating unless such damage is the result of other loss covered by this policy;
- 4) Failure to maintain the **insured watercraft** (including its machinery and equipment) in good condition so that the **insured watercraft** cannot be damaged by ordinary weather or water conditions or the rigors of normal use;
- 5) The operation of the **insured watercraft** if the horsepower exceeds the manufacturer's recommended safe powering limit;
- 6) Ice and/or freezing;
- 7) Diminution in value or loss of use;
- 8) Third party transport;
- 9) **Named windstorm** for any canvas;
- 10) **Manufacturer's defects or design defects**;
- 11) Any pre-existing physical loss or damage caused to the **insured watercraft** prior to the commencement of this insurance with or without your knowledge;
- 12) Any physical loss or damage resulting from the failure of a repair performed prior to the commencement of this insurance;
- 13) Loss or damage to the dinghy and/or tender while being towed behind your **insured watercraft** or any other watercraft; or
- 14) **Latent defect**, however, this exclusion does not apply to resulting loss, damage, or expense caused by any **latent defect** in the hull, equipment, or machinery (excluding the cost and expense of replacing or repairing the latently defective part. For any resulting loss, damage or expense from a **latent defect**, the hull, deck and superstructure of a boat are a single, indivisible part, and the **powertrain** of the boat is considered one indivisible part.

B. Personal Effects

i. Coverage

We will cover sudden accidental direct physical loss to your personal effects, and those of your guests, while on board the **insured watercraft** or while being loaded on or unloaded from the **insured watercraft**. Personal effects are items such as sports equipment, clothing and other personal items. Where you employ paid crew, we will also cover your paid crew's personal effects while aboard the **insured watercraft** or being loaded onto or unloaded from the **insured watercraft**.

ii. Property Not Covered

Under Personal Effects Coverage, we do not cover:

- 1) Currency, credit cards, documents or other valuable papers;
- 2) Jewelry, watches or furs;
- 3) China or silver;
- 4) Fine arts;
- 5) Precious metals;
- 6) Antiques or collectibles;

- 7) Computer hardware or software;
- 8) Perishables or consumables;
- 9) Firearms;
- 10) Animals;
- 11) Watercraft including personal watercraft such as jet skis or wave runners;
- 12) Property which is covered under 'Hull, Equipment and Machinery' Coverage;
- 13) Dock boxes, moorings or cradles; or
- 14) Fuel.

iii. What We Pay

We will pay the **actual cash value** of the personal effect(s), subject to a \$2,500 maximum per item. Our total liability for any one **occurrence** will not exceed the limit for 'Personal Effects' on the Declarations Page.

iv. Exclusions

We will not pay for loss, damage or expense caused by or resulting from:

- 1) Wear and tear, gradual deterioration, birds, rodents, insects, animals, or inherent vice;
- 2) Mechanical or electrical breakdown, unless caused by lightning;
- 3) Theft or unexplained disappearance unless there are visible marks of forcible entry or removal;
- 4) **Named windstorm**;
- 5) Diminution in value; or
- 6) Third party transport.

C. Trailer

i. Coverage

We will cover sudden, accidental, direct physical loss or damage to the trailer, but only if owned by and registered/titled to the **insured** and used exclusively for transporting the **insured watercraft**.

ii. What We Pay

We will pay for the **actual cash value** of the trailer subject to the deductible shown on the Declarations Page. Our liability for any one **occurrence** will not exceed the limit for the trailer shown on the Declarations Page.

iii. Exclusions

We will not pay for loss, damage or expense caused by or resulting from:

- 1) Wear and tear, gradual deterioration, marring, denting, scratching or inherent vice;
- 2) Mechanical breakdown; or
- 3) Diminution in value or loss of use.

D. Emergency Towing and Assistance

i. Coverage

We will reimburse the reasonable expenses you incur resulting from the following services to the **insured watercraft** if help is not available and you must obtain commercial assistance:

- 1) Towing to the nearest place where necessary repairs can be made;
- 2) Delivery of fuel, oil, parts or loaned battery (excluding the cost of the items themselves) or emergency labor, while away from a safe harbor.

If trailer coverage is shown on the Declarations Page, this coverage also applies to such expenses incurred because the trailer is disabled. However, we will not pay for delivery of fuel to any conveyance transporting the **insured watercraft** if the reason the boat trailer is disabled is because the conveyance is out of fuel.

ii. What We Pay

The most we will pay for any one **occurrence** is the limit for 'Emergency Towing and Assistance' on the Declarations Page.

E. Named Windstorm Extra Expense

i. Coverage

If a premium is shown on the Declarations Page for 'Hull, Equipment and Machinery' and if a **named windstorm** watch or warning is issued for the area where your **insured watercraft** is moored, we will reimburse the costs that you incur:

- 1) To protect the **insured watercraft** from loss or damage;
- 2) Within the twenty-four (24) hour period prior to the issuance of a watch or warning, provided that a watch or warning is subsequently issued for the area where your **insured watercraft** is moored;
- 3) To have the **insured watercraft** professionally hauled out of the water at the time the watch or warning is issued for your mooring area and to have the **insured watercraft** launched after the watch or warning has ended.

ii. What We Pay

We will pay 50% of your actual incurred expenses, subject to a maximum of \$500 for any one **named windstorm**, and \$1,000 total in any single policy period.

2. Loss Conditions

A. Deductibles

- i. We will not pay for loss, damages or expense for any one **occurrence** until the amount of the loss, damage or expense exceeds the applicable deductible shown on the Declarations Page.
- ii. However, if a **named windstorm** Deductible is shown on the Declarations Page, then the **named windstorm** deductible will apply to all partial, total or **constructive total losses** caused by or resulting from **named windstorm**.
- iii. The policy deductible does not apply to the costs incurred under **named windstorm** Extra Expense.

B. Theft

We will cover theft of **insured watercraft** subject to the following terms and conditions:

- i. Where **insured watercraft** is stored ashore, we do not cover theft of **insured watercraft**, trailer or equipment, outboard(s) or out drive(s) attached to the boat or stored therein unless the **insured watercraft**, trailer or equipment, outboard(s) or out drive(s) are stored within a locked, fenced enclosure or secured building and there is evidence of violent and forcible entry into the locked, fenced enclosure or secured building; and a police report has been made;
- ii. During overland transits, we will only cover theft of the **insured watercraft** and trailer if they are secured to a towing vehicle with a receiver hitch lock;

- iii. While the **insured watercraft** is afloat, theft of your trailer when not in use or left unattended will only be covered if your trailer is fully immobilized by the attachment of wheel clamps or other professionally manufactured anti-theft device(s) which immobilize your trailer;
- iv. We will cover theft of equipment, outboard motor(s), outdrive(s) attached to or stored within the **insured watercraft** while the **insured watercraft** is afloat or moored afloat, provided there is evidence of forcible removal from the **insured watercraft**.

C. **Salvage and Abandonment**

If we pay the limit as shown on the Declarations Page for 'Hull, Equipment and Machinery' or trailer, we reserve the right to take possession of the remains if we elect. At our request, you will transfer the title of the property to us or to a salvage buyer appointed by us. Any recovery or salvage on a loss will accrue entirely to our benefit until the sum paid by us has been made up.

We are not obligated to accept any property you abandon, nor are we obligated to pay any storage fees incurred because you abandoned any property to any other person or organization.

D. **Payment of Loss**

We will pay losses within 30 days after the earliest of the following:

- i. We reach agreement with you;
- ii. Final judgment or exhaustion of appeal is rendered in a court of law;
- iii. An appraisal award is filed with us; or
- iv. A proof of loss is accepted by the Company.

E. **Appraisal**

If you dispute our evaluation of the amount of the loss, then you or we must submit a written request for appraisal within one year of the date of loss. You and we will then each appoint and pay for a competent and disinterested marine appraiser. If the two appraisers cannot agree on the amount of the loss, the appraisers or a judge of the local court of record will select a competent, marine experienced umpire who will decide any differences. The expense of the umpire and all other expenses of the appraisal will be shared equally by you and us. An award in writing by any two such persons will determine the amount of your loss. You and we will be bound by that amount.

Appraisal is not available where there is a dispute as to the existence of coverage. Nothing herein will prejudice or in any way impact our right to contest coverage and to bring suit in a court of competent jurisdiction contesting coverage.

F. **Protect and Recover**

In the event of a covered loss to the **insured watercraft**, you must protect the **insured watercraft** from further loss and make every effort to recover it. We will pay the reasonable cost of salvage and towage services provided under a contract fixing a price for such services and other related expenses necessarily incurred by you to avoid or minimize a loss that would be covered under this insurance. We will pay the reasonable costs you incur under this condition in addition to any other payments we make for loss or damage under 'Hull, Equipment and Machinery' coverage, but not to exceed the limit for 'Hull, Equipment and Machinery' on the Declarations Page. We will not cover any further loss incurred due to your failure to protect the **insured watercraft**.

There is no deductible for this coverage.

G. **Loss Payee**

If a loss payee is named in this policy, any loss payable will be paid to the loss payee and you.

SECTION VI - WATERCRAFT LIABILITY

1. Coverage

A. Liability

i. Coverage

We will cover damages for **bodily injury** or **property damage** for which an **insured** becomes legally liable through ownership, maintenance, or use of the **insured watercraft**.

If a premium is shown on the Declarations Page for 'Hull, Equipment and Machinery', we will also cover the reasonable expenses incurred to raise, remove or dispose of the wreck of the **insured watercraft** if you are legally obligated and compelled to do so. This is not additional insurance, but is included in the limit of Watercraft Liability coverage.

Wreck means the **insured watercraft** has been damaged to such an extent as to render the **insured watercraft** not navigable and we determine the **insured watercraft** to be a total or **constructive total loss**.

ii. What We Pay

We will pay no more than the limit under 'Watercraft Liability' shown on the Declarations Page for any and all **bodily injury** and/or **property damage(s)** resulting from any **occurrence** or series of **occurrences** arising out of one event.

The limit for 'Watercraft Liability' is the most we will pay, regardless of the number of persons covered under this section, claims made, watercraft or premiums shown on the Declarations Page or the number of watercraft involved.

iii. Exclusions

We will not pay for:

- 1) Liability assumed under any contract or agreement;
- 2) **Bodily injury** or **property damage** while the **insured watercraft** is being transported on land;
- 3) Any fine or penalty assessed by any governmental unit;
- 4) **Bodily injury** or **property damage** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of any solid, liquid, gaseous or thermal irritant or **contaminant**, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste, including materials to be recycled, reconditioned or reclaimed;
- 5) **Bodily injury** or **property damage** sustained by any **insured family member** or **resident**;
- 6) Damage to property in your care, custody or control;
- 7) **Bodily injury** arising out of any sexually transmitted disease, methicillin-resistant *Staphylococcus aureus* or the actual or alleged transmission of a communicable disease;

This exclusion applies even if the claims against any insured alleges negligence or other wrongdoing in the supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease.
- 8) **Bodily injury** or **property damage** sustained by any passenger of the **insured watercraft** as a direct or indirect result of any scuba diving activity;
- 9) **Bodily injury** or **property damage** while the **insured watercraft** is being used for teak surfing, waterskiing, aquaplaning or any similar sport in which a person(s) or object(s) or both are towed, and until such operations are ended and the person(s) or object(s) engaged in such sport have been safely taken on board the **insured watercraft** or landed safely elsewhere;
- 10) Punitive or exemplary damages including any damages awarded pursuant to statute in the form of double, treble or other multiple damages in excess of compensatory damages.

iv. Defense

We have the right and duty to defend any suit to which this insurance applies. However, we may investigate and settle any claim or suit at our discretion. Our duty to defend any claim or suit ends when the amount we pay, or tender to the court for any pending litigation on your behalf, for damages resulting from the **occurrence** equals the limit for 'Watercraft Liability' shown on the Declarations Page.

If a suit is brought against you for claims falling within the coverage provided under the policy, seeking both compensatory and punitive or exemplary damages, we will afford a defense to such action; however, we will not have any obligation to pay for any costs, interest, or damages attributable to punitive or exemplary damages.

SECTION VII - LONGSHORE AND HARBOR WORKERS' COMPENSATION ACT

If 'Longshore and Harbor Workers' Compensation' is listed on the Declarations Page, the following applies:

We shall cover any compensation payments you are responsible for under the Longshore and Harbor Workers' Compensation Act (33 USC Sections 901-950) and any amendments to this act, as long as your responsibility arises from your ownership or use of an **insured watercraft**. We shall comply with any rules, regulations, orders and decisions of the Office of Workers' Compensation Programs of the United States Department of Labor.

SECTION VIII - MARINE ENVIRONMENTAL DAMAGE

We cover damages and fines, penalties, assessments, multiplication of damages, restoration costs and monitoring costs a covered person is legally obligated to pay, up to \$25,000 for **marine environmental damage**. Any sums we pay as damages or defense expenses under this coverage are not in addition to but rather will be counted against and erode the \$25,000 **marine environmental damage** sublimit.

SECTION IX - OIL POLLUTION LIABILITY

The limit shown for OPA 90 Pollution Limits on the Declarations Page applies as follows:

1. Coverage

We will cover:

- A. The sums which you are legally liable to pay as a result of **property damage** arising out of an **oil pollution incident**;
- B. The reasonable costs directly associated with the actual clean-up of an **oil pollution incident**;
- C. The reasonable costs or expenses legally imposed upon you by those government authorities assisting or monitoring an **oil pollution incident**;
- D. Administrative charges and civil expenses levied against you by a judiciary body as a result of an **oil pollution incident**;
- E. The reasonable costs and expenses to defend you against legal action for **property damage** from an **oil pollution incident**.

2. What We Pay

We will pay no more than the limit shown on the Declarations Page for OPA 90 Pollution Limits for all damages or expenses resulting from any **occurrence**. This is the most we will pay, regardless of the number of persons covered under this section, claims made, watercraft or premiums shown on the Declarations Page or the number of watercraft involved. This limit is in addition to and separate from the 'Watercraft Liability' limit listed on the Declarations Page.

3. Exclusions

We will not pay for:

- A. Liability assumed under any contract or agreement;
- B. Any fine or penalty assessed by any governmental unit;
- C. An **oil pollution incident**, if any **insured** knows, or has reason to know, of the incident and fails to report it as required by law(s);
- D. **Property damage** sustained by any **insured** or **resident**;
- E. **Bodily injury**;
- F. Liability for natural resource damage unless legal action commences within one (1) year of the incident;
- G. An **oil pollution incident** unless you provide all reasonable cooperation and assistance with containment and clean-up operations as is required by law or by someone acting under their legal authority; or
- H. Punitive or exemplary damages or associated interest.

4. Defense

We have the right and duty to defend any suit to which this insurance applies. However, we may investigate and settle any claim or suit at our discretion. Our duty to defend any claim or suit ends when the amount we pay, or tender to the court for any pending litigation on your behalf, for damages resulting from the **occurrence** equals the limit for 'OPA 90 Pollution Limits' shown on the Declarations Page. If a suit is brought against you for claims falling within the coverage provided under the policy, seeking both compensatory and punitive or exemplary damages, we will afford a defense to such action; however, we will not have any obligation to pay for any costs interest or damages attributable to punitive or exemplary damages.

SECTION X - MEDICAL PAYMENTS

1. Coverage

We will cover the reasonable charges for necessary medical, surgical, x-ray, dental, ambulance, hospital and professional nursing services and funeral service expenses incurred within one year from the date of an accident causing **bodily injury** to any person while in, upon, boarding or disembarking an **insured watercraft**.

The injured person must submit to an examination by a physician selected by us when and as often as we reasonably require.

2. What We Pay

We will pay no more than the limit for 'Medical Payments' shown on the Declarations Page for any **occurrence**. This is the most we will pay, regardless of the number of persons involved, claims made, or watercraft or premiums shown on the Declarations Page, or the number of watercraft involved.

Each person seeking payment under this coverage must:

- A. Provide us with written authorization for release to us copies of pertinent medical reports and records; and
- B. Submit a valid proof of loss within one year of the incurred expenses.

3. Exclusions

Payments under this section will not be made to, or on behalf of, any person:

- A. Injured while on board the **insured watercraft** or any other property of the insured, to include but

not limited to the **insured's** trailer or dock, without the **insured's** express permission;

- B. For whom liability is assumed by an **insured** under contract or agreement;
- C. Injured while the **insured watercraft** is being transported on land;
- D. Hired to work for or on behalf of any **insured**; or
- E. **Bodily injury** or any other payment or obligation to any person eligible to receive any benefits required to be provided by an **insured**. This includes, but is not limited to, any employment, unemployment, disability, worker's compensation, non-occupational disability, occupational disease law, Jones Act, Federal Longshoremen's and Harbor Worker's Compensation Act, or any state or federal workers' or workmen's compensation law or occupational disease law or migrant or seasonal workers law;
- F. Defined as **insured** under this policy.

4. Admission of Liability

Any payment made under this section is not an admission of liability by you or us.

SECTION XI - UNINSURED BOATER

1. Coverage

We will pay all sums you or **family member(s)** are legally entitled to recover as damages from the owner or operator of an **uninsured watercraft**. The damages must result from **bodily injury** caused by an **occurrence**, sustained by you or a **family member** while on board the **insured watercraft**. The owner's or operator's liability for these damages must result from the ownership, maintenance or use of the **uninsured watercraft**.

The injured person must submit to an examination by a physician selected by us when and as often as we reasonably require.

2. What We Pay

We will pay no more than the limit for 'Uninsured Boater Coverage' shown on the Declarations Page for all damages or losses resulting from any **occurrence**. This is the most we will pay, regardless of the number of persons covered under this section, claims made, watercraft or premiums shown on the Declarations Page or the number of watercraft involved.

Any amount payable under this coverage will be reduced by all sums paid by or for anyone who is legally responsible, including all sums paid under 'Medical Payments'. Any sums paid under this coverage will reduce any amount you or a **family member** are entitled to recover under 'Medical Payments'.

Each person seeking payment under this coverage must:

- A. Provide us with written authorization for release to us copies of pertinent medical reports and records; and
- B. Submit a valid proof of loss within one year of the incurred medical or funeral expense.

3. Exclusions

We will not pay for:

- A. Any claim settled without our consent;
- B. **Bodily injury** to any person on board the **insured watercraft** without the **insured's** express permission;
- C. The benefit of any insurer or self-insurer, directly or indirectly, under any workers' compensation, disability benefits law or any similar law;
- D. Damages where there is no evidence of physical contact between the **insured watercraft** and either an unidentified or **uninsured watercraft**; or

E. Bodily injury to any person arising out of the transportation of an **uninsured watercraft** on land.

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