

# Boatowners Policy

AS481

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## Table of Contents

<b>General</b> .....	3	<b>Section II—Watercraft Liability</b>	
Definitions Used in This Policy .....	3	<b>And Watercraft Medical Payments</b> .....	8
Insuring Agreement .....	3	<b>Watercraft Liability—Coverage AA</b> .....	8
Agreements We Make With You .....	4	Losses We Cover .....	8
Conformity To State Statutes .....	4	Losses We Do Not Cover .....	8
Coverage Changes .....	4	<b>Watercraft Medical Payments—Coverage CC</b> .....	8
Policy Transfer .....	4	Losses We Cover .....	8
Continued Coverage After Your Death .....	4	Losses We Do Not Cover .....	8
Cancellation .....	4	<b>Additional Coverages</b> .....	9
Concealment Or Fraud .....	4	Claim Expenses .....	9
What Law Will Apply .....	4	Emergency First Aid .....	9
Where Lawsuits May Be Brought .....	4	<b>Section II Conditions</b> .....	9
Conditional Reinstatement .....	5	Territory .....	9
Payment .....	5	What You Must Do After An Accidental Loss .....	9
Action Against Us .....	5	What An Injured Person Must Do—Watercraft Medical Payments .....	9
Arbitration .....	5	Our Payment Of Loss—Watercraft Medical Payments .....	9
<b>Section I—Your Property</b> .....	5	Our Limits Of Liability .....	9
<b>Your Property—Coverage TT</b> .....	5	Bankruptcy .....	9
Property We Cover .....	5	Our Rights To Recover Payment—Watercraft Liability .....	9
Losses We Cover .....	5	Action Against Us .....	10
Losses We Do Not Cover .....	5	Other Insurance—	
<b>Additional Coverages</b> .....	6	Watercraft Liability And Watercraft Medical Payments .....	10
Necessary Repairs After A Loss .....	6	<b>Section III—Optional Coverages</b> .....	10
Emergency Service .....	6	<b>Optional Coverages You May Buy</b> .....	10
Wreck Removal .....	6	Personal Effects—Coverage PE .....	10
<b>Section I Conditions</b> .....	6	Emergency Service—Coverage ES .....	10
Deductible .....	6		
Territory .....	6		
Seaworthiness Warranty .....	6		
Insurable Interest And Our Liability .....	6		
What You Must Do After A Loss .....	6		
Our Settlement Options .....	6		
How We Settle A Loss .....	7		
Recovery Cost .....	7		
Our Payment Of Loss .....	7		
Appraisal .....	7		
Abandoned Property .....	7		
Our Rights To Recover Payment .....	7		
Action Against Us .....	7		
No Benefit To Bailee .....	7		
Loss Payable Clause .....	7		
Other Insurance .....	7		

## General

### Definitions Used In This Policy

1. **You or your** means the person named on the Policy Declarations as the insured and that person's resident spouse.
2. **Allstate, we, us or our** means the company named on the Policy Declarations.
3. **Insured person** means **you** and, if a resident of **your** household:
  - a) any relative; and
  - b) any dependent person in **your** care.

Under the **Watercraft Liability** coverage and the **Watercraft Medical Payments** coverage, **insured person** also means:

- c) any other person or organization using **watercraft** with **your** permission.
  - d) any other person or organization liable for the use of watercraft by one of the above **insured persons**.
4. **Boat** means a craft, and its permanently attached equipment, designed for use on water and described on the Policy Declarations.

However, the term **boat** does not include a **motor**.

5. **Boat equipment** means:
  - a) portable boating equipment and accessories owned by **you** and used with **your watercraft**;
  - b) dinghies and tenders and their outboard motors owned by **you** and used to service **your watercraft**;
  - c) citizen band radios, ship-to-shore radios, radar detectors, sonar and other transmitting and receiving systems while in or on **your watercraft**, unless permanently attached to **your boat**; and
  - d) boat lifts, personal watercraft lifts, and boat hoists owned by **you** and used to service **your watercraft**, including motors, pumps and cables that comprise the lift or hoist. Boat lifts do not include the dock, pier, wharf or similar structure including dock boxes or similar storage units, or the electrical feed to the boat lift.

**Boat equipment** does not include boat trailers, fuel, provisions, cameras, portable radios other than citizens band radios and ship-to-shore radios, fishing equipment, water skis and other sporting equipment and person effects.

6. **Bodily injury** means physical harm to the body, including sickness or disease, and resulting death, except that **bodily injury** does not include:
  - a) any venereal disease;
  - b) herpes;
  - c) Acquired Immune Deficiency Syndrome (AIDS);
  - d) AIDS Related Complex (ARC);
  - e) Human Immunodeficiency Virus (HIV);

or any resulting symptom, effect, condition, disease or illness related to a) through e) listed above.

7. **Business** means any trade, profession or occupation. This includes a boat repair yard, marina, yacht club, boat sales agency, boat service station, shipyard or similar boat business. Entertainment of business clients for recreational or leisure time activities on **your watercraft** is not considered a **business**.
8. **Motor** means an outboard motor including remote controls, electric harness, the battery and pressure control tanks.
9. **Newly acquired watercraft** means a **boat, motor** or boat trailer which **you** acquire ownership of during the current premium period.

This newly acquired **boat, motor** or boat trailer must:

- a) replace property insured by this policy; or
- b) be additional property. And, **we** insure all other **boats and motors you** own.

Coverage under this policy applies only if **you** notify **us** within 30 days after the property is acquired by **you** and **you** pay any additional premium due.

10. **Non-owned watercraft** means property of similar size and type as **your watercraft**, used with the owner's permission, and not owned by or furnished for the regular use of an **insured person**.
11. **Property damage** means physical injury to or destruction of tangible property, including loss of its use.
12. **Temporary substitute watercraft** means property of similar size and type as **your watercraft**, not owned by an **insured person** or a resident of **your** household, while being temporarily used because **your watercraft**:
  - a) is being serviced or repaired; or
  - b) has been stolen or destroyed.
13. **Watercraft** means:
  - a) **your watercraft**;
  - b) **temporary substitute watercraft**; and
  - c) **non-owned watercraft**.
14. **Your watercraft** means:
  - a) the **boats and motors** described on the Policy Declarations; and
  - b) **newly acquired watercraft**.
15. **Personal watercraft** means a **boat** propelled by a water jet pump engine and designed to be operated by a person or persons sitting, standing, or kneeling on the **boat**.

### Insuring Agreement

In reliance on the information **you** have given **us**, **Allstate** agrees to provide the coverages indicated on the Policy Declarations of this policy. In return, **you** must pay the premium when due and comply with the policy terms.

Subject to the terms of this policy, the Policy Declarations shows the applicable coverages, limits of liability and premiums. This policy applies only to losses which occur during the policy period, as shown on the Policy Declarations. This policy is not complete without the Policy Declarations.

## Agreements We Make With You

We make the following agreements with you:

### Conformity To State Statutes

When the policy provisions are in conflict with the statutes in **your** state, the provisions are amended to conform to such statutes.

### Coverage Changes

When **Allstate** broadens coverage during the premium period without charge, **you** have the new features if **you** have the coverage to which they apply. Otherwise, the policy can be changed only by endorsement.

The premium for this policy is based on information **you** have given **us**. **You** agree to cooperate with **us** in determining if the information is correct and complete.

**You** agree that if the information **you** have given **us** is incorrect, incomplete or changes, **we** may adjust **your** premium accordingly during the premium period.

Any calculation of **your** premium or changes in **your** coverage will be made using the rules, rates and forms on file, if required, for **our** use in **your** state. The rates in effect at the beginning of the premium period will be used to calculate any change in **your** premium.

### Policy Transfer

**You** may transfer this policy to another person only with **our** written consent.

### Continued Coverage After Your Death

If **you** die, coverage will continue until the end of the premium period for:

- 1) **Your** legal representative while acting as such but only with respect to the property covered under this policy on the date of **your** death.
- 2) An **insured person**, and any person having proper temporary custody of **your** property until a legal representative is appointed and qualified.

### Cancellation

**Your** Right to Cancel:

**You** may cancel this policy by notifying **us** of the future date **you** wish to stop coverage.

**Our** Right to Cancel:

**Allstate** may cancel this policy by mailing notice to **you** at the mailing address shown on the Policy Declarations. When this policy has been in effect for less than 60 days, and is not a renewal with **us**, **we** may cancel this policy for any reason.

When this policy has been in effect for 60 days or more, or if it is a renewal with **us**, **we** may cancel this policy for one or more of the following reasons:

- 1) non-payment of premium;
- 2) the policy was obtained by material misrepresentation, fraud or concealment of material facts;
- 3) material misrepresentation, fraud or concealment of material facts in presenting a claim, or substantial violation of any of the policy terms;
- 4) there has been a substantial change or increase in hazard in the risk **we** originally accepted;

- 5) there is a substantial increase in hazards insured against by reason of willful or negligent acts or omissions by the insured; or
- 6) any other reason approved by the Commissioner of Insurance according to rules and regulations set by the Commissioner.

**We** will give **you** at least 30 days notice before the cancellation or non-renewal takes effect. Coverage under this policy will terminate on the effective date and hour stated on the cancellation notice. **Your** return premium, if any, will be calculated on a pro rata basis and refunded at the time of cancellation or as soon as possible. However, refund of unearned premium is not a condition of cancellation.

**Our** Right Not to Continue or Renew:

**Allstate** has the right not to continue or renew the policy beyond the current premium period. However, **we** may do so only for one or more of the reasons set out in the "**Our** Right to Cancel" section. If **we** do not intend to continue or renew the policy, **we** will mail **you** notice at least 30 days before the end of the premium period.

Any unearned premium amounts under \$2.00 will be refunded only upon **your** request.

### Concealment Or Fraud

This policy is void if **you** intentionally conceal or misrepresent any material fact or circumstance, before or after loss. **We** do not cover any other **insured person** who has concealed or misrepresented any material fact or circumstance, before or after a loss.

### What Law Will Apply

This policy is issued in accordance with the laws of Pennsylvania and covers property or risks principally located in Pennsylvania. Subject to the following paragraph, the laws of Pennsylvania shall govern any and all claims or disputes in any way related to this policy.

If a covered loss to property, or any other occurrence for which coverage applies under this policy happens outside Pennsylvania, claims or disputes regarding that covered loss to property, or any other covered occurrence may be governed by the laws of the jurisdiction in which that covered loss to property, or other covered occurrence happened, only if the laws of that jurisdiction would apply in the absence of a contractual choice of law provision such as this.

### Where Lawsuits May Be Brought

Subject to the following two paragraphs, any and all lawsuits in any way related to this policy, shall be brought, heard and decided only in a state or federal court located in Pennsylvania. Any and all lawsuits against persons not parties to this policy but involved in the sale, administration, performance, or alleged breach of this policy, or otherwise related to this policy, shall be brought, heard and decided only in a state or federal court located in Pennsylvania, provided that such persons are subject to or consent to suit in the courts specified in this paragraph.

If a covered loss to property, or any other occurrence for which coverage applies under this policy happens outside Pennsylvania, lawsuits regarding that covered loss to property, or any other covered occurrence may also be

brought in the judicial district where that covered loss to property, or any other covered occurrence happened.

Nothing in this provision, **Where Lawsuits May Be Brought**, shall impair any party's right to remove a state court lawsuit to a federal court.

### Conditional Reinstatement

If **we** mail a cancellation notice because **you** did not pay the required premium when due and **you** then tender payment by check, draft, or other remittance which is not honored upon presentation, **your** policy will terminate on the date and time shown on the cancellation notice and any notice **we** issue which waives the cancellation or reinstates coverage is void. This means that **Allstate** will not be liable under this policy for claims or damages after the date and time indicated on the cancellation notice.

### Payment

If at any time, **your** payment of any premium amount due is made by check, electronic transaction, or other remittance which is not honored because of insufficient funds or a closed account, **you** will be charged a fee.

### Action Against Us

No one may bring an action against **us** unless there has been full compliance with all policy terms.

Any action against **us** to which neither the **Action Against Us** provision located in **Section I Conditions** nor the **Action Against Us** provision located in **Section II Conditions** applies must be commenced within one year of the date the cause of action accrues.

If an action is brought asserting claims relating to the existence or amount of coverage, or the amount of loss for which coverage is sought, under different coverages of this policy, the claims relating to each coverage shall be treated as if they were separate actions for the purpose of the time limit to commence action.

### Arbitration

Any claim or dispute in any way related to this policy, by an **insured person** against **us** or **us** against an **insured person**, may be resolved by arbitration only upon mutual consent of the parties. Arbitration pursuant to this provision shall be subject to the following:

- a) no arbitrator shall have the authority to award punitive damages or attorney's fees;
- b) neither of the parties shall be entitled to arbitrate any claims or disputes in a representative capacity or as a member of a class; and
- c) no arbitrator shall have the authority, without the mutual consent of the parties, to consolidate claims or disputes in arbitration.

## Section I—Your Property

### Your Property—Coverage TT

#### Property We Cover:

1. The **boats** and **motors** described on the Policy Declarations.

2. Boat trailers designed solely for use with a **boat** and described on the Policy Declarations.
3. **Boat equipment**.
4. **Your newly acquired watercraft**.

#### Losses We Cover:

**We** will pay for sudden and accidental direct physical loss to the property described in **Coverage TT**, except as limited or excluded in this policy.

#### Losses We Do Not Cover:

**We** do not cover loss to the property described in **Coverage TT** resulting in any manner from:

1. wear and tear; marring; scratching; gradual deterioration; inherent vice; rust; corrosion; mold; wet or dry rot.
2. a latent or physical defect. This exclusion applies only to the item having the latent or physical defect.
3. structural or electrical or mechanical breakdown, or overheating. Any loss that follows is covered unless specifically excluded.
4. ice or freezing.
5. repairing, renovating, servicing or maintenance. Fire or explosion resulting from any of these is covered, but only for loss caused by the fire or explosion.
6. infidelity of an **insured person's** employees.
7. infidelity of any person to whom the property is entrusted or rented.
8. intentional or criminal acts of an **insured person**, if the loss that occurs;
  - a) may be reasonably expected to result from such acts; or
  - b) is in fact the intended result of such acts.

This exclusion does not apply to loss caused by **you**, or any other person insured under this policy, who is an innocent victim of domestic abuse.

9. damage occurring while the property is used:
  - a) in any illegal transportation or trade;
  - b) by others under a lease, rental or charter agreement;
  - c) for the transportation of people or property for a fee; or
  - d) in a **business**.
10. damages occurring while **your watercraft** is in any sanctioned race, speed or jumping contest. This exclusion does not apply when **your watercraft** is:
  - a) a sailboat; or
  - b) in a "predicted-log" cruise.
11. confiscation or seizure by a government authority.
12. conversion or embezzlement of **your watercraft** by any person in possession of **your watercraft** which is subject to a bailment lease, conditional sale, purchase agreement or encumbrance.
13. neglect by an **insured person** to take all reasonable steps to save and preserve property at and after a loss or when the property is endangered by a loss **we** cover.

14. nuclear action, meaning nuclear reaction, discharge, radiation or radioactive contamination, or any consequence of any of these. Loss caused by nuclear action is not considered loss by fire, explosion or smoke.

**We** do not cover direct loss by fire resulting from nuclear action.

15. war or warlike acts, including insurrection, rebellion or revolution.
16. intrusion of water into any electrical component, rudder, impeller, propeller, pump, strut or machinery inside or outside a **personal watercraft** unless caused by fire, lightning, collision, vandalism, or by sinking, if the sinking itself results from a covered loss.

### Additional Coverages

#### 1. Necessary Repairs After A Loss

**We** will pay the reasonable expense for necessary repairs to protect covered property from further loss following a loss **we** cover. This protection does not increase the amount of insurance that applies to the property being repaired.

#### 2. Emergency Service

**We** will pay up to \$100 for the reasonable expense **you** incur resulting from the following emergency service to **your watercraft** or boat trailer:

- mechanical labor at the place of its breakdown;
- towing to the nearest garage, marina, service station or other service point where necessary repairs can be made;
- towing it out if it is stuck;
- delivery of fuel, oil, battery, or change of tire.

**We** do not pay for the cost of these items.

No deductible applies to this coverage.

#### 3. Wreck Removal

**We** will pay the reasonable cost **you** incur for any attempted or actual raising, removal or destruction of the wreck of **your watercraft**, if:

- the peril causing the loss is covered; and
- removal or destruction of the wreck is required by law or governmental authority.

The amount payable for the damage to **your watercraft** plus the cost of removal or destruction of the wreck may exceed the **Coverage TT** limit for **your watercraft**. In that case, an additional 5% of the **Coverage TT** limit will be available to cover wreck removal costs.

### Section I Conditions

#### 1. Deductible

**We** will pay only when a covered loss exceeds the deductible shown on the Policy Declarations for that coverage. **We** will then pay only the excess amount, unless **we** have indicated otherwise in this policy.

If **we** cover more than one **boat**, a deductible applies to each **boat** and its **boat equipment, motor** and boat trailer, if any, as shown on the Policy Declarations. Otherwise, no more than one deductible shall apply to loss arising out of one occurrence.

#### 2. Territory

This policy applies only while the property **we** cover is within the United States of America or Canada or within 100 nautical miles of either. However, for **personal watercraft**, this policy applies only while the **personal watercraft** is within the United States of America or Canada or within 10 nautical miles off the coast of either.

#### 3. Seaworthiness Warranty

**You** warrant that **your watercraft** will be kept in a safe and navigable condition whenever afloat and/or being operated.

#### 4. Insurable Interest And Our Liability

In the event of covered loss, **we** will not pay for more than the insurable interest of an **insured person** in the property covered, not more than the amount of coverage afforded by this policy.

#### 5. What You Must Do After A Loss

In the event of a loss to any property that may be covered by this policy, **you** must:

- promptly give **us** or **our** agent written notice. Report any theft to the police as soon as possible.
- protect the property from further loss. Make any reasonable repairs necessary to protect it. Keep an accurate record of any repair expenses.
- give **us** a detailed list of the damaged, destroyed or stolen property, showing the quantity, description, actual cash value and the amount of loss claimed.
- produce available bills, receipts and related documents, or certified copies, that substantiate the loss claimed.
- as often as **we** reasonably require:
  - show **us** the damaged property.
  - submit to examinations under oath and sign a transcript of the same.
- at **our** request, give **us** signed, sworn proof of loss within 60 days from the date of loss. The statement must include the following information:
  - the date, location and cause of loss;
  - the interest **you** and others have in the property, including any encumbrances;
  - other insurance that may cover the loss;
  - any changes in ownership of the property that have occurred during the policy period;
  - an inventory of the damaged or stolen property described in 5.c).

#### 6. Our Settlement Options

In the event of a covered loss, **we** have the option to:

- repair, rebuild or replace all or any part of the damaged, destroyed or stolen property with property of like kind and quality within a reasonable time; or
- pay for all or any part of the damaged, destroyed or stolen property; or

- c) take all or part of the covered property at the agreed or appraised value.

**We** will notify **you** of the option or options **we** intend to exercise within 15 working days after **we** receive **your** signed, sworn proof of loss.

#### 7. **How We Settle A Loss**

Covered Loss under **Your Property–Coverage TT** will be settled by one of the following methods:

##### a) Actual Cash Value

This means there may be a deduction for depreciation. In making an actual cash value settlement, payment will not exceed the smallest of the following amounts:

- 1) the actual cash value at the time of the loss;
- 2) the amount necessary to repair or replace the damaged or stolen property. **We** will not pay more than the cost to make repairs in accordance with:
  - a) the maker's specifications; or
  - b) generally accepted shipyard repair practices;
- 3) the limit of liability shown on the Policy Declarations applicable to the damaged property; or
- 4) \$30,000 for **newly acquired watercraft**.

##### b) Repair Cost For Partial Losses

When the Policy Declarations indicates that repair cost applies under **Your Property–Coverage TT**, **we** will pay the actual cost to repair or replace the covered property with material of like kind and quality, with no deduction for depreciation. This provision applies only to partial losses. Repairs or replacements of canvas materials and sails will be settled on an actual cash value basis at the time of the loss.

When repair or replacement is made, payment will not exceed the smallest of the following amounts:

- 1) the repair cost of the damaged property. **We** will not pay more than the cost to make repairs in accordance with:
  - a) the maker's specifications; or
  - b) generally accepted shipyard repair practices;
- 2) the amount actually and necessarily spent to repair or replace the damaged property; or
- 3) the limit of liability shown on the Policy Declarations applicable to the damaged property.

#### 8. **Recovery Cost**

Loss to the **boat** and **motor** described on the Policy Declarations will be regarded as total loss when the expense of recovering the damaged property would exceed **our** limit of liability.

#### 9. **Our Payment Of Loss**

**We** will settle any covered loss with **you**. **We** will pay **you** unless another payee is named in the policy. **We** will pay within 60 days after the amount of loss is finally determined. This amount may be determined by an agreement between **you** and **us**, a court judgment, or an appraisal award.

#### 10. **Appraisal**

If **you** and **we** fail to agree on the amount of loss, either party may make written demand for an appraisal. Upon such demand each party must select a competent and impartial appraiser and notify the other of the appraiser's identity within 20 days after the demand is received. The appraisers will select a competent and impartial umpire. If the appraisers are unable to agree upon an umpire within 15 days, **you** or **we** can ask a judge of a court of record in the state where **you** live to select an umpire.

The appraisers shall then determine the amount of loss, stating separately the actual cash value and the amount of loss to each item. If the appraisers submit a written report of an agreement to **us**, the amount agreed upon shall be the amount of loss. If they cannot agree, they will submit their differences to the umpire. A written award by any two will determine the amount of loss.

Each party will pay the appraiser it chooses, and equally bear expenses for the umpire and all other appraisal expenses.

#### 11. **Abandoned Property**

**We** are not obligated to accept any property abandoned by an **insured person**.

#### 12. **Our Rights To Recover Payment**

When **we** pay for any loss, **your** rights of recovery from anyone else becomes **ours** up to the amount **we** have paid. **You** must protect these rights and help **us** enforce them.

#### 13. **Action Against Us**

No one may bring an action against **us** in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, under a coverage to which **Section I Conditions** applies, unless:

- a) there has been full compliance with all policy terms; and
- b) the action is commenced within one year after the date of loss.

#### 14. **No Benefit To Bailee**

This insurance will not benefit any person or organization who may be caring for or handling **your** property for a fee.

#### 15. **Loss Payable Clause**

If a loss payee is named on the Policy Declarations Page, any loss payable under Section I shall be paid to **you** and the loss payee, as interests appear. Loss covered under **Section I** will be adjusted with **you** only.

#### 16. **Other Insurance**

If both this insurance and other insurance apply to a loss, **we** will pay **our** share. **Our** share will be the proportionate amount that this insurance bears to the total amount of all applicable insurance.

## Section II—Watercraft Liability And Watercraft Medical Payments

### Watercraft Liability—Coverage AA

#### Losses We Cover:

**We** will pay all sums arising from an accidental loss which an **insured person** becomes legally obligated to pay as damages because of **bodily injury** or **property damage** resulting from the ownership, maintenance, or use of covered **watercraft, boat equipment** or boat trailers. **Watercraft Liability** includes liability protection for **bodily injury** and **property damage** resulting from accidental fuel spills.

**We** may investigate or settle any claim or suit for covered damages against an **insured person**. If an **insured person** is sued for these damages, **we** will provide a defense with counsel of **our** choice, even if the allegations are groundless, false or fraudulent. **We** are not obligated to pay any claim or judgment after **we** have exhausted **our** limit of liability.

#### Losses We Do Not Cover:

1. **We** do not cover any **bodily injury** or **property damage**:
  - a) which may reasonably be expected to result from the intentional or criminal acts of an **insured person** or which are in fact intended by an **insured person**.
  - b) while any watercraft or boat trailer is used:
    - 1) in any illegal transportation or trade;
    - 2) by any others under a lease, rental or charter agreement; or
    - 3) for the transportation of people or property for a fee.
  - c) while any **watercraft** is in any sanctioned race, speed or jumping contest. This exclusion does not apply when **your watercraft** is:
    - 1) a sailboat; or
    - 2) in a “predicted-log” cruise.
  - d) while any **watercraft** is:
    - 1) being carried in or upon a motorized land vehicle; or
    - 2) on a trailer or attached to, or being towed by a motorized land vehicle.
  - e) while any boat trailer is attached to, or is being towed by, a motorized land vehicle.
  - f) arising out of the past or present **business pursuits** of an **insured person**.
  - g) arising out of the rendering of or failure to render professional services.
  - h) caused by war or warlike acts, including insurrection, rebellion or revolution.
2. **We** do not cover **bodily injury** to an **insured person** or **property damage** to property owned by an **insured person**.
3. **We** do not cover **bodily injury** to any person eligible to receive benefits required to be provided or voluntarily provided by an **insured person** under any:
  - a) workers’ compensation, non-occupational disability or occupational disease law; or
  - b) Federal Longshoremen’s and Harbor Workers’ Compensation Act.

4. **We** do not cover any liability an **insured person** assumes under any unwritten contract or agreement. **We** will not cover any contract or agreement in connection with a business of an **insured person**.
5. **We** do not cover **property damage** to property rented to, occupied or used by or in the care of an **insured person**. This exclusion does not apply to a launching ramp, dock or boat storage house rented exclusively to **you**.

### Watercraft Medical Payments—Coverage CC

#### Losses We Cover:

**We** will pay the reasonable expenses incurred by an **insured person** or guest(s) for necessary medical, surgical, X-ray and dental services; ambulance, hospital, licensed nursing and funeral services; and prosthetic devices, eyeglasses, hearing aids, and pharmaceuticals. These expenses must have resulted from the ownership, maintenance or use of covered **watercraft, boat equipment** or boat trailers by an **insured person**.

These expenses must be incurred and the services performed within three years from the date of an accident causing **bodily injury** covered by this policy.

Payments will also be made to an **insured person** who sustains **bodily injury** while in the water if struck by any boat.

#### Losses We Do Not Cover:

1. **We** do not cover **bodily injury**:
  - a) which may reasonably be expected to result from the intentional or criminal acts of an **insured person** or which are in fact intended by an **insured person**.
  - b) while any watercraft or boat trailer is used:
    - 1) in any illegal transportation or trade;
    - 2) by any others under a lease, rental or charter agreement; or
    - 3) for the transportation of people or property for a fee.
  - c) while any **watercraft** is in any sanctioned race, speed or jumping contest. This exclusion does not apply when **your watercraft** is:
    - 1) a sailboat; or
    - 2) in a “predicted-log” cruise.
  - d) arising out of a parasailing or kite-skiing.
  - e) while any **watercraft** is:
    - 1) being carried in or upon a motorized land vehicle; or
    - 2) on a trailer or attached to, or being towed by a motorized land vehicle.
  - f) while any boat trailer is attached to, or is being towed by, a motorized land vehicle.
  - g) arising out of the past or present **business pursuits** of an **insured person**.
  - h) Arising out of the rendering of or failure to render professional services.

- i) Caused by war or warlike acts, including insurrection, rebellion or revolution.
2. **We** do not cover bodily injury to any person eligible to receive any benefits voluntarily provided, or required to be provided, under any:
- a) workers' compensation, non-occupational disability or occupational disease law; or
  - b) Federal Longshoremen's and Harbor Workers' Compensation Act.

- c) At **our** request, an **insured person** will:
  - 1) cooperate with **us** and assist **us** in any matter concerning a claim or suit;
  - 2) help **us** enforce any right of recovery against any person or organization who may be liable to an **insured person**;
  - 3) attend any hearing or trial.

Any **insured person** will not voluntarily pay any money, assume any obligations or incur any expense, other than for first aid to others at the time of the loss as provided for in this policy.

## Additional Coverages

**We** will pay, in addition to the limits of liability:

### 1. Claim Expenses

**We** will pay:

- a) all costs **we** incur in the settlement of any claim or the defense of any suit against an **insured person**.
- b) damages for delay in the form of prejudgment interest as provided for under the laws of Pennsylvania; prejudgment interest will be paid only on damages which do not exceed **our** limits of liability.
- c) premiums on bonds required in any suit **we** defend. **We** will not pay bond premiums in an amount that is more than **our** limit of liability. **We** have no obligation to apply for or furnish bonds.
- d) up to \$300 for each bail bond needed because of an accident or violation of boating safety regulations. **We** have no obligation to apply for or furnish bonds.
- e) up to \$50 per day for loss of wages and salary, when **we** ask **you** to attend trials and hearings.
- f) any other reasonable expenses incurred by an **insured person** at **our** request.

### 2. Emergency First Aid

**We** will pay reasonable expenses incurred by an **insured person** for first aid to other persons at the time of an accident involving **bodily injury** covered under this policy.

## Section II Conditions

### 1. Territory

This policy applies only while **watercraft** is within the United States of America or Canada or within 100 nautical miles of either. However, for **personal watercraft**, this policy applies only while the **personal watercraft** is within the United States of America or Canada or within 10 nautical miles off the coast of either.

### 2. What You Must Do After An Accidental Loss

In the event of **bodily injury** or **property damage**, **you** must do the following things:

- a) Promptly notify **us** or **our** agent, in writing, stating:
  - 1) **your** name and policy number;
  - 2) the date, the place and the circumstances of loss;
  - 3) the name and address of anyone who might have a claim against an **insured person**;
  - 4) the names and addresses of any witnesses.
- b) Promptly send **us** any legal papers relating to the accident.

### 3. What An Injured Person Must Do—Watercraft Medical Payments

If someone is injured, that person, or someone acting for that person, must do the following:

- a) Promptly give **us** written proof of the loss. If **we** request, this must be done under oath;
- b) Give **us** written authorization to obtain copies of all medical records and reports; Permit doctors **we** select to examine the injured person as often as **we** may reasonably require.

### 4. Our Payment Of Loss—Watercraft Medical Payments

**We** may pay the injured person or the provider of the medical services. Payment under this coverage is not an admission of liability by **us** or an **insured person**.

### 5. Our Limits Of Liability

Regardless of the number of **insured persons**, injured persons, claims, claimants or policies involved, **our** total liability under the **Watercraft Liability** coverage for damages resulting from one accidental loss will not exceed the limit shown on the Policy Declarations. All **bodily injury** and **property damage** resulting from one accidental loss or from continuous or repeated exposure to the same general conditions is considered the result of one accidental loss.

**Our** total liability under the **Watercraft Medical Payments** coverage for all medical expense payable for **bodily injury** to any one person shall not exceed the "each person" limit shown on the Policy Declarations.

There will be no duplication of payments made under the **Watercraft Liability** and **Watercraft Medical Payments** coverages of this policy. All payments made to or on behalf of any person under the **Watercraft Medical Payments** coverage will be considered as advance payments to that person and reduce the damages payable under the **Watercraft Liability** coverage of this policy.

Under **Watercraft Medical Payments**, the three-year time limitation does not apply to funeral service expenses.

### 6. Bankruptcy

**We** are not relieved of any obligation under this policy because of the bankruptcy or insolvency of an **insured person**.

### 7. Our Rights To Recover Payment—Watercraft Liability

When **we** pay any loss, an **insured person's** right to recover from anyone else becomes **ours** up to the amount **we** have paid. An **insured person** must protect these rights and help **us** enforce them.

## 8. Action Against Us

- a) No one may bring an action against **us** in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, unless there has been full compliance with all policy terms.
- b) No one may bring an action against **us** in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, under **Watercraft Liability** coverage, unless the obligation of an **insured person** to pay has been finally determined either by judgment against the **insured person** after actual trial, or by written agreement of the **insured person**, injured person, and **us**, and the action against **us** is commenced within one year of such judgment or agreement.
- c) No one may bring an action against **us** in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, under **Watercraft Medical Payments** coverage, unless such action is commenced within one year after the date the expenses for which coverage is sought were actually incurred.
- d) No one may bring an action against **us** in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, under **Section II—Additional Coverages**, unless such action is commenced within one year after the date the claim expenses or emergency first aid expenses for which coverage is sought were actually incurred.
- e) No one shall have any right to make **us** a party to an action to determine the liability of an **insured person**.

## 9. Other Insurance—Watercraft Liability And Watercraft Medical Payments

If both this insurance and other insurance apply to a loss, **we** will pay **our** share. **Our** share will be the proportionate amount that the limits of this insurance bears to the total limits of all applicable insurance.

However, this insurance will be excess over any other insurance that covers **newly acquired watercraft, non-owned watercraft or temporary substitute watercraft**.

## Section III—Optional Coverages You May Buy

The following Optional Coverages apply only when they are indicated on the Policy Declarations and premiums are shown. The provisions of this policy apply to each Optional Coverage in this section unless modified by the terms of the specific Optional Coverage.

### 1. Personal Effects—Coverage PE

#### Property We Cover:

**We** will pay for physical loss to personal effects owned by an **insured person** while aboard **your watercraft**.

#### Property We Do Not Cover:

- a) Personal property specifically described and insured by this or any other insurance.

- b) Money, jewelry, precious and semiprecious stones, watches, gold other than goldware, silver other than silverware, platinum, furs, travelers checks, securities or other valuable papers.
- c) Animals.
- d) **Boats, motors, boat equipment** or boat trailers.
- e) Contact lenses and prosthetic devices.

#### Limitations Of Certain Personal Property

A limitation applies to the following group of personal effects:

\$ 500 — Silverware, goldware and guns.

#### Losses We Do Not Cover:

**We** do not cover loss:

- a) resulting from a loss **we** do not cover in Section I of this policy.
- b) resulting from mysterious disappearance.
- c) caused solely by breakage of eyeglasses, cameras, photographic lenses, glassware and similar fragile articles, unless caused by fire, explosion, collision or sinking of **your** watercraft.

#### How We Settle A Loss

**We** will not pay more than the smallest of the following amounts:

- a) the actual cash value of the covered property at the time of the loss. This means there may be a deduction for depreciation; or
- b) the amount necessary to repair or replace the damaged or stolen property; or
- c) the limit of liability shown on the Policy Declarations, or any special limit described in this optional coverage.

#### Deductible

**We** will pay only when the covered loss under this optional coverage exceeds a \$100 deductible. No more than one deductible shall apply to loss arising out of one occurrence.

#### Other Insurance

This insurance shall be excess over any other insurance that covers loss to personal effects.

### 2. Emergency Services—Coverage ES

The \$100 limit applying to emergency service covered in this policy is increased to the amount shown on the Policy Declarations.