NEW HAMPSHIRE INSURANCE COMPANY©

YACHT POLICY

ADMINISTRATIVE OFFICES: 70 PINE STREET, NEW YORK, N.Y. 10270

Insurance from The New Hampshire Insurance Company and other Member companies of The New Hampshire Insurance Group AIG Member Companies of American International Group, Inc.

This **policy** provides different coverages. Unless otherwise stated, the terms, definitions, and exclusions of this **policy** shall apply to all coverages. Any term, definition, or exclusion under a specific coverage shall pertain only to that coverage unless otherwise stated. Please read the entire **policy** to determine **your** rights, duties, and what is and what is not covered.

Words and phrases that appear in boldface are defined in the DEFINITIONS section and shall apply to all coverages unless otherwise stated.

In consideration of the premium paid and in reliance upon **your** statements to **us**, **we** agree to provide to **you** the insurance described in this **policy**.

DEFINITIONS

1. **Agreed Hull Value** means the value agreed to by **you** and by **us** on **your** insured **yacht** as shown on the **declarations**.

2. **Bodily injury** means bodily harm, sickness, or disease, including death resulting therefrom.

3. **Captain** means any person employed by **you** or on **your** behalf as a **crew member** to be in charge of the shipboard management and navigation of the **yacht** for which **we** have agreed to provide coverage and who is employed by **you** at the time of a covered **occurrence**.

4. **Crew Member** means any person employed by **you** or on **your** behalf to work aboard the **yacht,** up to the maximum number of employees as agreed to by **us**, and who is acting in the capacity of an employee in service of the **yacht** at the time of a covered **occurrence**, either as a paid **captain** or paid **crew member.**

5. **Claim(s)** means a demand for money.

6. **Damages** means those sums that are paid or are payable to satisfy a **claim** or **suit**.

7. **Declarations** means the most recent **declarations** **we** issued to **you** under the **policy**, including any subsequent amendments and/or endorsements.

8. **Electronics** means any permanently installed electronics and related equipment used for the navigation and guidance of **your yacht**. Electronics does not include electronic engine management systems.

9. **Fuel Spill** means, and is limited to, the unintentional discharge, leakage, or spillage of fuel, oil, or lubricant products customarily used in the operation of **your yacht**.

10. **Lay-up** means taking **your yacht** out of active service during the period shown in the **declarations.** **Your yacht** cannot be used for any boating activities or as living quarters by **you** or any insured during this **lay-up** period. **Lay-up** can include either storage on land or afloat.

11. **Marine Environmental Damage** means the physical damage or injury to, the alteration of, or destruction of, a marine habitat caused by the use, operation, or maintenance of **your yacht.**

12. **Occurrence** means a loss or accident to which this insurance applies and which takes place within the **policy period**. Continuous or repeated exposure to substantially the same general conditions, unless specifically excluded, is considered to be one **occurrence**.

13. **Personal Effects** means personal belongings not excluded under this **policy** including, but not limited to, sporting equipment and fishing equipment.

14. **Personal Injury** means injury other than **bodily injury** arising out of one or more of the following offenses:
    - (a) False arrest, detention, or imprisonment;
    - (b) Malicious prosecution;
    - (c) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling, or premises that a person occupies, committed by or on behalf of its owner, landlord, or lessor;
    - (d) Oral or written publication of material that slanders or libels a person or organization, or disparages a person's or organization's goods, products, or services; or
    - (e) Oral or written publication of material that violates a person's right of privacy.

15. **Policy** means this **policy**, including the **declarations**, any schedules, endorsements, warranties, and attachments.

16. **Policy Period** means the period commencing on the effective date shown on the **declarations**. This period ends on the earlier of the expiration date or the effective date of cancellation of this **policy**. All physical loss, **occurrences**, liability, **property damage**, **bodily damage,** or towing and assistance charges must occur during the **policy period**. If **you** became an insured under this **policy** after the effective date, the **policy period** begins on the date **you** became an insured and ends on the earlier of the expiration date or the effective date of cancellation of this **policy**.

17. **Pollutants** means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, petroleum products and derivatives, and waste. Waste includes, but is not limited to, material to be recycled, reconditioned, or reclaimed.

18. **Property Damage** means:
  (a) Physical injury to, or destruction of, tangible property including the loss of use of it; or
  (b) Loss of use of tangible property, which has not been physically injured or destroyed.

19. **Suit** means a civil proceeding in which damages because of "bodily injury" or "property damage" are alleged, including an arbitration proceeding or any other alternative dispute resolution proceeding.

20. **Trailer** means the insured vehicle shown on the **declarations** which is used for the transportation of **your yacht**.

21. **We**, **us,** or **our** means the Company issuing this **policy**.

22. **Yacht** means the insured vessel shown on the **declarations** including, but not limited to, the following:

  (a) The vessel's sails or engine(s), machinery, furniture, and auxiliary fixtures;
  (b) Other vessel equipment and **electronics** on the vessel as is required aboard for its safety, maintenance, and operation; and
  (c) A dinghy **you** own and use solely in connection with **your yacht**, or any tender shown on the **declarations**.

23. **You** and **your** means:
  (a) The person or organization named as the insured on the enclosed **declarations**;
  (b) Members of the immediate family of the insured who live in the same household;
  (c) Anyone else operating the insured vessel with the prior express permission of the named insured, as long as the actual use is within the scope of such permission and for private pleasure use only; or
  (d) A **captain** or **crew member** who works on **your yacht**. **You** and **your** does not include, however, anyone operating or working for a marina, yacht club, boat repair yard, or similar business and who is not in **your** employ.

GENERAL CONDITIONS AND EXCLUSIONS

1. INSURING AGREEMENT
This **policy** is a legal contract between **you** and **us**. **We** agree to provide the insurance coverage described in this **policy** in return for **your** payment of the premium when due and compliance by **you** with all the terms and conditions of this **policy**.

2. RESTRICTIONS ON THE USE OF **YOUR YACHT**: **We** shall not cover losses that occur while **your Yacht** is being used in any way that is prohibited by this **policy**, including but not limited to the following:
  (a) **Your yacht** must be used only for private pleasure purposes, which includes tournament fishing. **Your yacht** cannot be chartered, leased, or used for any commercial purposes without prior written permission by **us**.
  (b) **Your yacht** cannot be taken out of the navigation area described on the **declarations** without prior written permission by **us**.
  (c) **Your yacht** cannot be used for any illegal purpose including, but not limited to, the transportation of any illegal substance; and
  (d) Use of **your yacht** during the **lay-up** period shown on the **declarations**.

3. TRANSFER OF INTEREST: This **policy** shall be void if **your yacht** is sold, assigned, transferred, or pledged without **our** prior written permission.

4. HELD COVERED: If the navigational limit or the **lay-up** warranty of this **policy** as stated on the **declarations** are breached due to circumstances beyond **your** control, this **policy** shall remain in effect provided written notice is given to **us** as soon as the facts regarding the breach are known to **you** and any additional applicable premium is promptly paid.

5. WHAT **YOU** MUST DO IN THE EVENT OF A LOSS: If **you** have a loss or **claim** that **you** think might be covered under this **policy**, **you** must do the following:

  (a) Notify the proper authorities in the event of a suspected criminal or illegal activity.
  (b) Notify **your** agent or **us** in writing immediately. **You** must also provide **us** with all available information about the **occurrence** and arrange with **us** to survey and inspect the damage to **your yacht** prior to the start of repairs. **We** will give **you** instructions on where to have repairs performed.
  (c) If a **claim** is made or **suit** is brought against **you**, **you** must immediately notify **us** and forward to **us** every demand, notice, summons, or other process received by **you** or **your** representative.
  (d) If **your yacht** or other property covered by this **policy** is damaged, **you** must take all lawful and reasonable steps to protect **your yacht** or other property from further damage. **We** will reimburse **you** for the reasonable expenses of protecting the property, not including **your** personal labor. These payments for protecting the damaged property shall be made in addition to any other payments **we** make for losses covered by this **policy**.
  (e) After a loss, **you** may not abandon or assign **your yacht** to **us** nor to any other party without **our** prior written permission.

6. WHEN **WE** SHALL PAY FOR LOSSES: **We** shall pay for losses covered under this **policy** within thirty (30) days after **we** receive proof of loss or other requested documentation that is satisfactory to **us**.

7. COOPERATION WITH **US**: In the event of a loss covered by this **policy**, **you** must cooperate with **us** fully. **You** shall not assume any obligations, admit any

responsibility, or make any settlements or payments without first securing **our** written permission. **You** shall provide a sworn statement if **we** so request. If **you** are sued and **you** receive **our** written approval to defend the lawsuit, **we** shall pay defense costs. Payments for the cost of **your** legal defense shall be in addition to payments **we** make under this **policy** for watercraft liability insurance. If **we** pay for **your** defense, **we** shall have the right to select the attorney who will defend **you**. **We** have the right to control the defense, as well as the right to settle a **claim** or **suit** at **our** discretion.

8. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO **US**: If **you** have rights to recover all or part of any payment **we** have made under this **policy**, those rights are transferred to **us**. **You** shall do nothing to impair them. At **our** request, **you** shall bring **suit** or transfer those rights to **us** and help **us** enforce them.

9. OTHER INSURANCE: **We** shall be excess over any other insurance including, but not limited to, any self-insurance. If there is other insurance that applies to the physical loss, **occurrence**, liability, **property damage**, **bodily injury,** and towing and assistance charge, then this **policy** shall be excess over any other collectible insurance. This **policy** applies to the amount of loss that is more than:

(a) The Limit of Liability of the other insurance; and

(b) The total of all deductibles and self-insured amounts under all such other insurance.

In any event, **We** shall not pay more than **our** Limit of Liability.

10. LEGAL ACTION AGAINST **US**: If **you** are found liable as a result of an **occurrence** covered by this **policy**, **we** shall pay up to the Limit of Liability of this **policy** as shown on the **declarations**. **We** shall pay if **you** are bankrupt or insolvent. No one may begin legal action against **us** unless all the terms of the **policy** have been met, nor until thirty (30) days after the required proofs of **claim** have been filed with **us**.

11. CONCEALMENT OR MISREPRESENTATION
Any relevant coverage(s) shall be voided if **you** intentionally conceal or misrepresent any material fact or circumstance relating to this insurance, or **your** insurance application, whether before or after a loss.

12. RACING: **We** shall not cover any loss, **claim,** or defense arising out of any race or speed contest. This exclusion shall not apply to predicted log type events or a race or speed contest with **your** sailboat.

13. SEIZURE OR REQUISITION: **We** shall not cover any loss, **claim,** or defense arising out of any lawful or unlawful capture, seizure, requisition, search, or detainment of **your yacht** by a civil or governmental authority, or any attempt by any of the aforementioned. **You** are covered, however, for direct physical loss during a Coast Guard or U.S. Customs boarding, provided there is no evidence of any wrongdoing by **you**.

14. WAR: **We** shall not cover any loss, **claim,** or defense arising out of any war, war-like hostilities, or war-like operations. This includes declared and undeclared wars, civil wars, revolutions, or any civil unrest.

15. NUCLEAR EXCLUSION: **We** shall not cover any loss, **claim,** or defense arising out of any nuclear reaction or nuclear radiation. If, however, a nuclear reaction or nuclear radiation causes a fire, **we** shall cover the physical loss or damage to **your yacht** caused directly by the fire.

16. POLLUTION EXCLUSION: **We** shall not cover any loss, **claim,** or defense arising out of:

(a) The actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of **pollutants**; or

(b) Any direction or request to test for, monitor, clean-up, remove, contain, treat, detoxify, or neutralize **pollutants** or in any way respond to or assess the effects of **pollutants**.

This exclusion, however, shall not apply to any fuel, oil, or lubricant products customarily used in the operation of **your yacht** for which coverage is provided under SECTION "H" **- FUEL SPILL** LIABILITY.

17. CANCELING THE **POLICY**: **You** may cancel this **policy** by returning it to **our** authorized agent or by advising **us** or **our** authorized agent in writing of the future date **you** want this **policy** to be canceled. **We** can cancel this **policy** by providing written notice to **you** at the address shown in this **policy** or the insured's last known address. If this is done, the cancellation shall not be effective until ten (10) days after the date of mailing or such time as may be required by applicable state law. The mailing of this notice shall be sufficient proof of the notice to cancel.

18. RETURN PREMIUM: If this **policy** is canceled, **you** may be entitled to a premium refund. If **you** request cancellation, the return premium shall be computed on a short rate basis. If **we** cancel, the return premium shall be computed on a pro-rata basis. If **we** pay for a constructive total loss or total loss of **your yacht**, the full premium for the **policy** shall be considered fully earned and **you** shall receive no return premium.

19. OVERLAND TRANSPORTATION: **We** will cover physical loss or damage to **your yacht** incurred during overland transport on **your** trailer within the continental United States. **We** will also cover incidental overland movement of **your yacht** in connection with hauling, launching, dry docking maintenance or repair at a marina or shipyard within a radius of ten (10) miles from the point of origin. No coverage will be afforded for any physical loss or damage to **your yacht** incurred during overland transport due to scratching, marring, and/or denting.

SECTION "A"- HULL INSURANCE

1. WHAT **WE** INSURE:

(a) Physical Loss to **Your Yacht**: **We** shall pay for direct physical loss to **your yacht** arising out of all perils unless otherwise excluded herein.

(b) Hidden Defect: **We** shall pay for indirect physical loss or **property damage** caused by any hidden defect in the machinery, the hull, or any other area of **your yacht**. In the event a mast failure is deemed to be caused by a hidden defect in the mast, the mast shall be considered one indivisible unit. **We** shall not, however, pay for the cost of replacing or repairing the defective part.

(c) Equipment on Shore: **We** shall pay for direct physical loss to **your** boating equipment if **your** boating equipment is separated from **your yacht**, while **your yacht** is **laid up** on shore. **We** shall not pay more than 50% of the **agreed hull value** for all physical loss to **your** boating equipment. The **agreed hull value** shall be decreased by any amount **we** pay for physical loss to **your** boating equipment.

(d) Collision Liability: If an amount is not indicated on the **declarations** for Section "B" Protection and Indemnity, **we** shall pay those amounts for which **you** become legally liable for **property damage** to other watercraft if **your yacht**, while waterborne, collides with another watercraft. Payments under this coverage shall be in addition to the **agreed hull value**, but the total shall not exceed the **agreed hull value**.

We shall not, however, pay for the following under this coverage:

(1)**Bodily injury**;

(2)**Personal injury**; or

(3)The cost of removing wrecks or obstructions.

2. LIMIT OF INSURANCE: All coverages under this **policy** shall cease upon payment for losses which total the **agreed hull value** unless **your policy** is reinstated in writing by **us**.

If **we** pay the **agreed hull value** of **your yacht**, the full annual premium for this **policy** shall be considered fully earned and **you** shall receive no return premium.

3. VALUATION:

(a) The value of **your yacht** is shown on the **declarations** as the **agreed hull value**. In the event of damage to **your yacht**, **we** shall pay for the cost of repairs with material of like kind and quality without a deduction for depreciation.

(b) Covered losses to sails, protective covers, carpeting, upholstery, cushions, fabrics, outboard motors, and outdrives over three (3) years old shall be paid on the basis of their actual cash value adjusted for depreciation.

(c) Covered losses to machinery, including inboard engines and equipment over ten (10) years old shall be paid on the basis of their actual cash value adjusted for depreciation.

4. CONSTRUCTIVE TOTAL LOSS OR TOTAL LOSS: **We** shall pay the **agreed hull value** without a deductible if:

(a) **Your yacht** is a total loss;

(b) **Your yacht** is destroyed; or

(c) The reasonable expense of recovering and repairing **your yacht** exceeds the **agreed hull value**.

5. TOTAL LOSS TO TENDER:

(a) In the event of a total loss to **your** tender, **we** shall pay in addition to the **agreed hull value** the fair market value of the tender at the time of the loss.

(b) **You** must, however, provide satisfactory proof of loss and satisfactory proof of ownership of the tender.

6. DEDUCTIBLE:

(a) Hull Deductible: **We** shall subtract the deductible amount stated on the **declarations** from any payment **we** make for a loss covered under this section other than for a total loss or constructive total loss to **your yacht**.

(b) **Electronics** Deductible: A loss to **electronics** aboard **your yacht** is subject to a $500 deductible per **occurrence**. No loss shall exceed the Limits of Liability stated on the **declarations**. If a single accident or **occurrence** gives rise to a claim where both the insured hull and **electronics** are damaged, the $500 **electronics** deductible shall be applied solely to the **electronics** claim if the cost of repairs to the hull do not exceed the hull deductible. If the damage to the hull is greater than the amount of the hull deductible, then the hull deductible shall apply. **Electronics** does not include electronic engine management systems. At no time shall more than one deductible apply.

7. REPAIRS: If the hull of **your yacht** or tender as shown on the **declarations** is made in whole or in part of plywood, plastic, fiberglass, metal, or other molded materials, **we** shall, at **our** option, pay for the reasonable cost of applying suitable patches, refinishing work, or bottom paint to the damaged area in accordance with standard repair practices.

8. UNREPAIRED DAMAGE: If the damage to **your yacht** is not repaired or replaced:

(a) **We** shall pay the actual cash value of the damaged parts, not exceeding the cost to repair or replace with material of like kind and quality; and

(b) **We** shall not pay for un-repaired damage in addition to a payment for a subsequent total loss or constructive total loss of **your yacht**.

We shall not be liable for previously un-repaired damage.

9. SALVAGE:

(a) When **we** pay the **agreed hull value** for a loss, the rights to all salvage shall be **ours**.

(b) All salvage charges shall be limited to an amount not to exceed the **agreed hull value**.

10. CAUSES OF LOSS THAT ARE NOT COVERED:

(a) **We** shall not cover any loss of, or damage to:

(1) Wages of the **captain** and **crew members**;

(2) Food, fuel, or other consumables.

(b) **We** shall not cover any loss or damage arising out of:

(1) Any intentional misuse or misconduct, or lack of reasonable care or due diligence, in the operation or maintenance of **your yacht** or **trailer**;

(2) Any wear and tear, gradual deterioration, weathering, inherent vice, insects, animals, vermin, mold, marine life, electrolytic or galvanic action, corrosion, dampness of atmosphere, gelcoat or fiberglass blistering, wet or dry rot, or extremes of temperature;

(3) Any theft or the unexplained disappearance of covered property from **your yacht**, unless:

a. There is physical evidence of forcible entry or removal of the covered property;

b. Corroboratory evidence, satisfactory to **us**, exists; or

c. **Your yacht** is stolen;

(4) The weight of **your yacht,** if the weight exceeds the rated capacity of **your trailer** or other land conveyance vehicle;

(5) Any willful misconduct, criminal, or dishonest act by an insured, **your** employees, or any person to whom **you** entrust **your yacht;**

(6) Failure to properly winterize **your yacht;**

(7) The loading, unloading, or transportation of **your yacht** aboard a cargo vessel.

SECTION "B" - PROTECTION & INDEMNITY

1. WHAT **WE** INSURE: **We** shall pay those amounts **you** legally must pay as **damages** for an **occurrence** which results from the ownership, maintenance, use, or operation of **your yacht** resulting in any of the following:

(a) **Bodily injury**;

(b) **Property damage**;

(c) **Your** liability to paid **captain** and **crew members** as defined in Admiralty Law;

(d) The actual or attempted raising, removal, or destruction of the wreck of **your yacht**;

(e) The failure to raise, remove, or destroy the wreck of **your yacht**; or

(f) The rescue of **you**, **your** passengers, or **your crew members**.

(g) **We** will pay up to $100,000 for **damages you** are legally obligated to pay for **marine environmental damage**.

2. COVERAGE FOR VESSELS **YOU** DO NOT OWN: **We** shall pay **bodily injury** and **property damage** arising out of **your** permissive use of a private pleasure vessel which **you** do not own or rent.

3. FEDERAL LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION: **We** shall pay the amount for which **you** are liable if a **claim** is made against **you** for **bodily injury** resulting from the ownership, maintenance, or use of **your yacht**, and for which **you** are liable under the provisions of the Longshoremen's and Harbor Workers' Compensation Act. **We** shall, as required by the Act, conform to all the provisions of this Act, being Public Act No. 803 of the 69th Congress, approved March 4, 1927; all laws which amend or supplement this Act, and all lawful rules, regulations, orders, and decisions of the United States Department of Labor, Bureau of Employees' Compensation, and the Deputy Commissioner having jurisdiction, which affect this Act while this **policy** is in force. **We** shall carry out the provisions of Section 35 of this Act, and **we** shall not be relieved of **our** obligations due to **your** insolvency or bankruptcy.

4. LIMIT OF LIABILITY: The Protection and Indemnity Limit shown on the **declarations** is the most **we** shall pay under this coverage part. This is the most **we** will pay, regardless of the number of injured persons, **claims** made, or watercraft involved in any one **occurrence** or series of **occurrences** arising out of the same events.

5. LEGAL REPRESENTATION: **We** shall pay the costs related to the following, which are in addition to the Limit of Liability:

(a) **We** have the right and duty to defend at **our** expense any **suit** brought against **you** under this coverage part even if the **suit** is groundless or fraudulent. **We** shall not be obligated to make any payment nor undertake or continue the defense of any **suit** or proceeding after **our** applicable Limit of Liability has been exhausted by payment of judgments, settlements, and/or awards.

(b) **We** have the right to investigate any **claim** or **suit** and settle any **claim** or **suit** that **we** believe is proper. **Our** duty to defend any **suit** against **you** ends if **you** refuse to consent to a settlement **we** recommend and the claimant accepts. **You** shall then defend the **suit** at **your** own expense and negotiate any settlement. **Our** obligation to pay any settlement or judgment shall not be more than the amount for which **we** could have settled had **you** consented.

6. THIS WATERCRAFT LIABILITY SECTION DOES NOT COVER:

(a) Any liability assumed by **you** under any contract or agreement without **our** prior written permission, except for any contract entered for the exclusive purpose of hauling, mooring, storing, or launching **your yacht**;

(b) **Bodily injury** or **property damage** to others while **your yacht** or tender as shown on the **declarations** is being transported on land;

(c) **Bodily injury** or **property damage** arising out of the use of the insured **yacht** while engaged in towing a person in or on a device designed for flight, such as parasailing or kite-skiing.

(d) **Bodily injury** or **property damage** to:

(1) **You**;

(2) A relative in **your** household; or

(3) Any person for which **you** or a relative in **your** household are the legal guardian;

(e) Any willful misconduct, criminal, or dishonest act by an insured, **your** employees, or person to whom **you** entrust **your yacht**;

(f) Punitive, exemplary, multiplied **damages,** or bail;

(g) Any loss involving an uninsured vessel which is owned, operated, or maintained by a local, state, or federal governmental agency or foreign military; or

(h) Any vessel involved in an accident with **your yacht**, which is owned by **you** or furnished for **your** regular use.

SECTION "C" - MEDICAL PAYMENTS

1. WHAT **WE** INSURE: **We** shall pay reasonable and necessary medical, surgical, ambulance, hospital, professional nursing, and funeral expenses for any person for **bodily injury** arising out of an **occurrence** while boarding, aboard or leaving **your yacht**. All expenses must incur within one year of the date of the **occurrence**.

2. LIMIT OF LIABILITY: The Limit of Liability shown for medical payments on the **declarations** is **our** maximum limit of liability under this section.

3. MEDICAL AND OTHER REPORTS; EXAMINATION: If requested by **us**, any person presenting a **claim** under this section must:

(a) Furnish reasonably obtainable information pertaining to the **occurrence** and **bodily injury** and execute authorization to enable **us** to obtain medical reports and copies of records;

(b) Submit to physical examination by physicians selected by **us** as often as **we** may reasonably require;

(c) Provide a written, sworn proof of loss; and

(d) Provide copies of any other insurance policies or other evidence of health coverage that may cover the **claim**.

4. THIS SECTION DOES NOT COVER: **We** shall not cover any medical payments arising out of:

(a) **Bodily injury** to any person while **your yacht** is being used:

(1) To carry paying passengers without first obtaining **our** prior written permission or the proper regulatory licensing; or

(2) Any other reason other than private pleasure purposes without **our** prior written permission;

(b) **Bodily injury** of:

(1) Anyone who is eligible for injury or death benefits under any Workers' Compensation or Longshoremen's and Harbor Workers' Compensation Laws; or

(2) Any employee of **yours**, other than a household employee, or anyone who is working on or aboard **your yacht**;

(c) **Bodily injury** of any trespasser who is boarding, aboard, or leaving **your yacht**;

(d) **Bodily injury** to others while **your yacht** or tender shown on the **declarations** is being transported on land;

(e) **Bodily injury** from the towing of any vessel, object, or individual, other than **your** tender or dinghy; or

(f) Any liability assumed by **you** under any contract or agreement without **our** prior written permission.

SECTION "D" - TRAILER COVERAGE

1. WHAT **WE** INSURE: **We** will pay for loss to **your trailer** arising out of all perils unless otherwise excluded herein.

2. VALUATION: **We** shall pay for repair or replacement for any covered loss on an actual cash value basis adjusted for any applicable depreciation. **Our** liability for any one loss shall not exceed the Limit of Liability shown for **your trailer** on the **declarations**.

3. DEDUCTIBLE: Each loss payment under this section shall be reduced by the deductible amount shown on the **declarations**.

4. TERRITORAL LIMITS: Coverage for **your trailer** applies only to physical loss that occurs within the United States, District of Columbia, Puerto Rico, and the Provinces of Canada.

5. CAUSES OF LOSS THAT ARE NOT COVERED: Losses which are excluded under Section "A" – Hull Insurance of this **policy** are also excluded under this Section.

SECTION "E" - TOWING AND ASSISTANCE CHARGES

1. WHAT **WE** INSURE: **We** shall pay reasonable costs **you** incur should **your yacht** become disabled while waterborne away from a safe harbor, and **you** are forced to seek commercial assistance because civil and/or voluntary help is not available.

We shall pay for:

(a) Towing to the nearest place where necessary repairs can be made;

(b) The cost of delivering gas, oil, parts, or loaned battery (but not the cost of the gas, oil, parts, or battery);

(c) Labor for emergency repairs while away from safe harbor or docking/mooring berth; or

(d) **Yacht trailer** roadside service.

2. LIMIT OF LIABILITY: The most **we** shall pay for towing and assistance charges is shown on the **declarations**, regardless of the number of **occurrences** requiring such towing assistance in any one **policy period**. No deductible shall apply to this coverage. Satisfactory proof of payment, however, shall be sent to **us** or **our** representative for reimbursement. **We** also reserve **our** right to request any other reasonable evidence regarding **your** disabled **yacht**.

If **your yacht** is towed as result of a covered loss under Section "A" – Hull Insurance, no amount shall be deducted under this Section.

SECTION "F" - PERSONAL EFFECTS

1. WHAT **WE** INSURE: **We** shall cover physical loss to **your personal effects** arising out of all perils while boarding, aboard, or leaving **your yacht**, unless otherwise excluded herein.

2. VALUATION: **We** shall pay either the actual cash value of the **personal effects** at the time of the covered loss or the Limit of Liability shown on the **declarations** for this section, whichever is less, in excess of the deductible. For any one **occurrence**, **we** shall only pay the Limit of Liability shown on the **declarations** for this section regardless of the number of persons involved, property lost, or **claims** made.

3. EXCLUSIONS: **We** shall not cover any loss or damage which is excluded under Section A of this **policy**, nor shall **we** cover the following property:

(a) Currency or legal tender;

(b) Valuable papers, documents, or collectibles;

(c) Computer hardware or software;

(d) Jewelry;

(e) Furs;

(f) China or silver;

(g) Fine art and photography;

(h) Photographic equipment;

(i) Liquor;

(j) Firearms;

(k) Facsimile machines, copiers, printers, or cellular phones; or

(l) Portable marine **electronics**.

SECTION "G" - UNINSURED BOATER LIABILITY

1. WHAT **WE** INSURE: **We** shall pay those amounts **you** are legally entitled to recover for **damages** from an uninsured owner or operator of a vessel due to **your bodily injury** arising out of an **occurrence** and results from the ownership, maintenance, use or operation of **your Yacht**.

2. CONDITION: To be entitled to coverage under this section, the following conditions shall apply:

(a) The owner or operator of the other vessel must be a person or vessel owner other than the named insured shown on the **declarations**;

(b) The owner or operator of the other vessel must be legally liable for causing or contributing to the **occurrence**; and

(c) The owner or operator of the other vessel:

(1) Must not have an applicable valid and collectible insurance; or

(2) Cannot be identified.

3. LIMIT OF LIABILITY: The amount shown for this section on the **declarations** is the most **we** shall pay for any Uninsured Boater Liability regardless of the number of insured or uninsured persons, **claims** made or vessels involved in any one or series of **occurrence**s arising out of the same event. Payment under this section shall be reduced by any amounts paid to **you** by or on behalf of those uninsured persons legally responsible, any state or federal compensation law or provision as well as any amounts paid under any other section of this **policy**. In addition, any payment to **you** under this section shall reduce the amount of coverage available under any other section of this **policy**.

4. EXCLUSIONS: **We** shall not cover any **claim** arising out of:

(a) **Bodily injury** or **property damage** to others while **your yacht** or tender as shown on the **declarations** is being transported on land;

(b) Any **personal injury**;

(c) Any **property damage**;

(d) Any loss involving an uninsured vessel which is owned, operated or maintained by a local, state or federal governmental agency or foreign military;

(e) Any vessel involved in an accident with **your yacht**, which is owned by **you** or furnished for **your** regular use; or

(f) Any loss or damage excluded under any portion of this **policy**.

SECTION "H" – FUEL SPILL LIABILITY

1. WHAT **WE** INSURE: **We** shall pay those amounts **you** are legally responsible to pay for the containment, clean-up, **property damage,** and assessments arising out of a **fuel spill occurrence** which results from the ownership, maintenance, use, or operation of **your yacht**.

2. LIMIT OF LIABILITY: The **Fuel Spill** Liability Limit shown on the **declarations** is the most **we** shall pay under this coverage part, regardless of the number of insureds, **claims** made, or watercraft involved in any one **occurrence** or series of **occurrences** arising out of the same events.

3. LEGAL REPRESENTATION: **We** shall pay the costs related to the following, which are in addition to the Limit of Liability:

(a) **We** have the right and duty to defend at **our** expense any **suit** brought against **you** under this coverage part even if the **suit** is groundless or fraudulent. **We** shall not be obligated to make any payment nor undertake or continue the defense of any **suit** or proceeding after **our** applicable limit of liability has been exhausted by payment of judgments, settlements, and awards.

(b) **We** have the right to investigate any **claim** or **suit** and settle any **claim** or **suit** that **we** believe is proper. **Our** duty to defend any **suit** against **you** ends if **you** refuse to consent to a settlement **we** recommend and the claimant accepts. **You** shall then defend the **suit** at **your** own expense and negotiate any settlement. **Our** obligation to pay any settlement or judgment shall not be more than the amount for which **we** could have settled had **you** consented.

4. CONDITION: To be entitled to coverage under this section **you** must:

(a) Report the incident to the appropriate authorities; and

(b) Cooperate with and assist the authorities in any and all containment and clean-up activities.

5. EXCLUSIONS: **We** shall not cover any **claim** or defense arising out of:

(a) **Property damage** to others while **your yacht** or tender as shown on the **declarations** is being transported on land;

(b) **Property damage** to:

(1) **You**;

(2) A relative in **your** household; or

(3) Any person for which **you** or a relative in **your** household are the legal guardian;

(c) Any **personal injury**;

(d) Any **bodily injury**;

(e) Wages of the **captain** or **crew members**; or

(f) Punitive, exemplary, multiplied damages, or bail.