



# OCEAN MARINE INSURANCE CLAIMS INFORMATION

The following is useful information which will expedite the handling of claims and protect your rights under ocean marine insurance policies.

It is important to bear in mind unique circumstances may, at times, require additional documentation activities or procedures. Any questions relating to marine claims can be directed to your producer or the marine claim office listed below.

**IMPORTANT:** In the event of loss or damage, you are obligated to take necessary steps to mitigate the claim. Expenses reasonably incurred in taking such action are reimbursable under policy terms and condition. Failure to take necessary action can result in prejudice of your rights under your policy.

## WHAT TO DO IN THE EVENT OF LOSS

1. You or your producer should notify IMU of all claims for damage to insured vessels or property as soon as the loss occurs.
2. You or your producer should notify IMU of all injury claims. Serious injuries or death claims should be reported to us immediately by telephone so we can determine the need to dispatch a surveyor, investigator and/or attorney to the accident site.

## NOTICE OF CLAIMS TO RESPONSIBLE PARTIES

The premium you are charged for your insurance is ultimately influenced by your experience on your policy. It is therefore in your best interest to ensure losses are reduced by placing us in a position to recover all or part of our payment to you from any responsible third party. This is called subrogation and your cooperation in this regard is further reinforced by policy terms. Monies collected by us in subrogation are credited to your premium / loss experience. If a third party is responsible for the loss, written notice of claims should be promptly made directly against such party with copy to the below marine claim office.

## CLAIMS REPORTING

You or your producer have several options to report claims to International Marine Underwriters/ OneBeacon:

By phone at 877-248-3455 – Claims phoned into the 24/7 Call Center before 7p.m. EST will be immediately assigned a claim number. Producers can go to the producer portal the next business day to view the claim.

By email [CantonCRUAcord@onebeacon.com](mailto:CantonCRUAcord@onebeacon.com) – When you wish to include attachments to accompany a claim, email reporting is ideal. To submit a claim via email, you will need to include an ACORD First Notice of Loss Form. Please report only one claim per email. The sender's email confirmation will serve as the acknowledgement that we have received the claim.

By Fax at 866-213-2802 – Only one claim should be submitted per fax transmission. The sender's fax receipt will serve as confirmation that we have received the claim



The Company issuing this policy is indicated below:

**Atlantic Specialty Insurance Company**

Policy Number

B5JH 73290

Renewal of

B5JH 73290

Insured: Seasons at Sandpoint Association Inc.

Street: 424 Sandpoint Avenue

City: Sandpoint

State: ID Zip: 83864

Policy Period 12:01 AM

At place of Issuance FROM: July 1, 2020

TO: July 1, 2021

Producer No.: 0401021

Producer: Worldwide Facilities, Inc.

Street: 725 S. Figueroa St. 19th Floor

City: Los Angeles

State: CA Zip: 90017

**NAMED LOCATIONS**

**NAMED LOCATIONS (continued)**

1.	424 Sandpoint Ave, Sandpoint, ID, 83864	4.	
2.		5.	
3.		6.	

**COVERAGE SECTION**

**PREMIUM**

I.	Marina Operators Legal Liability	Covered	\$ 2,100	Flat
II.	Protection & Indemnity	Covered	\$ 825	
III.	Commercial General Liability	Covered	Included	
IV.	Boat Dealers	Not Covered		
V.	Piers, Wharves and Docks	Covered	\$ 18,200	
VI.	Property	Not Covered		
VII.	Equipment/Tools	Not Covered		
VIII.	Owned Watercraft	Not Covered		
	Terrorism	Not Covered		
	Optional Coverage	Not Covered		

**TOTAL PREMIUM**

\$ 21,125

**STATE SURCHARGE**

\$ -

For account of themselves

Loss, if any payable to: Assured or order

**SUBJECT TO CONDITIONS OF FORM(S) ATTACHED HERETO.**

IMU Manuscript Policy Form (Ed. 4/18) as attached

ISO CGL Form CG 00 01 04 13

GI2144 (Ed. 1-92), NMP-Fungi, CG 20 04 11 85

Excluding Tubing, Skiing and jet driven watercraft, Watercraft Rentals

Terr Ex Non Fire St. 2015, Earthquake Exclusion, Piers, Wharves, Docks: Delete Exclusion of Weight of Ice & Snow

Docks not used more than 6 months per year

**LIMITS OF LIABILITY, AMOUNTS OF INSURANCE, AND DEDUCTIBLES AS PER THE DECLARATIONS PAGE**

THIS POLICY IS MADE AND ACCEPTED SUBJECT TO THE FOREGOING PROVISIONS AND STIPULATIONS AND THOSE HEREINAFTER STATED, WHICH ARE HEREBY MADE A PART OF THIS POLICY TOGETHER WITH OTHER SUCH PROVISIONS, STIPULATIONS AND AGREEMENTS AS MAY BE ADDED HERETO, AS PROVIDED IN THIS POLICY.

IN WITNESS WHEREOF, this Company has caused this Policy to be executed below, but this

Policy shall not be valid unless countersigned by a duly authorized representative of the Company.

Kara L. B. Barrow, Secretary

Countersigned by

this date

July 20, 2020

T. Michael Miller, President & CEO

Authorized Representative

<b>Grand Total</b>	<b>\$ 21,125</b>
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Schedule of Equipment/Tools

Actual Cash Value - Co-Insurance 80%

	Description	Value	Deductible	Rate	Premium
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

Total Premium Not Covered

Schedule of Owned Watercraft

Actual Cash Value - Co-Insurance 80%

If no value is shown below coverage is for Protection & Indemnity Only

	Description	Value	Deductible	Rate	Premium
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

Total Premium Not Covered

		Description	Insured Value	Rate	Premium
<b>Bldg</b>	Building				
	Contents				
	Business Income & Extra Expense =====:				
	Valuation				Total for Property
	Property Deductible				
<b>Bldg</b>	Building				
	Contents				
	Business Income & Extra Expense =====:				
	Valuation				Total for Property
	Property Deductible				
<b>Bldg</b>	Building				
	Contents				
	Business Income & Extra Expense =====:				
	Valuation				Total for Property
	Property Deductible				
<b>Bldg</b>	Building				
	Contents				
	Business Income & Extra Expense =====:				
	Valuation				Total for Property
	Property Deductible				
<b>Bldg</b>	Building				
	Contents				
	Business Income & Extra Expense =====:				
	Valuation				Total for Property
	Property Deductible				
<b>Bldg</b>	Building				
	Contents				
	Business Income & Extra Expense =====:				
	Valuation				Total for Property
	Property Deductible				
<b>Bldg</b>	Building				
	Contents				
	Business Income & Extra Expense =====:				
	Valuation				Total for Property
	Property Deductible				
<b>Bldg</b>	Building				
	Contents				
	Business Income & Extra Expense =====:				
	Valuation				Total for Property
	Property Deductible				
<b>Bldg</b>	Building				
	Contents				
	Business Income & Extra Expense =====:				
	Valuation				Total for Property
	Property Deductible				
<b>Bldg</b>	Building				
	Contents				
	Business Income & Extra Expense =====:				
	Valuation				Total for Property
	Property Deductible				
<b>Bldg</b>	Building				
	Contents				
	Business Income & Extra Expense =====:				
	Valuation				Total for Property
	Property Deductible				
<b>Bldg</b>	Building				
	Contents				
	Business Income & Extra Expense =====:				
	Valuation				Total for Property
	Property Deductible				

Mortgagees

Name and Address		Location and Interest	Coverage Section(s) Applicable
	Location		
	Interest		
	Location		
	Interest		
	Location		
	Interest		
	Location		
	Interest		

Loss Payees

Name and Address		Location and Interest	Coverage Section(s) Applicable
	Location		
	Interest		
	Location		
	Interest		
	Location		
	Interest		
	Location		
	Interest		

To be attached to and made part of Policy No. B5JH 73290 of Atlantic Specialty Insurance Company

Insuring Seasons at Sandpoint Association Inc.

**SECTION IV: BOAT DEALERS and SECTION V: PIERS, WHARVES, DOCKS if covered**

It is hereby agreed that coverage hereunder excludes "Earthquake."

The term "Earthquake" shall mean any earth movement, including but not limited to, earthquake, volcanic eruption, landslide, mudflow, earth sinking, earth rising or shifting; unless loss by fire ensues and then this Company shall be liable only for such ensuing loss.

All earthquakes that occur within any 72 hour period will constitute a single earthquake. The expiration of this policy will not reduce the 72 hour period.

*All other terms and conditions remained unchanged.*

To be attached to and made part of Policy No. B5JH 73290 of Atlantic Specialty Insurance Company

Insuring Seasons at Sandpoint Association Inc.

#### **SECTION V: PIERS, WHARVES, DOCKS**

It is hereby agreed that with respects **Coverage Section V – Piers, Wharves, and Docks** regarding **Item No. 5 Exclusions from Coverage** the following line is deleted from coverage hereunder:

- 5.5 Freezing, ice damage or collapse from the weight of ice or snow. However, ice damage from ice flows as part of a debris field or flood is covered;

*All other terms and conditions remained unchanged.*





Atlantic Specialty Insurance Company

### **EXCLUSION OF TERRORISM**

Notwithstanding any provision to the contrary within this Policy, it is agreed that this Policy excludes loss or damage caused directly or indirectly by terrorism, including action in hindering or defending against an actual or expected incident of terrorism. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

Terrorism means activities against persons, organizations or property of any nature:

1. That involve the following or preparation for the following:
  - a. Use or threat of force or violence; or
  - b. Commission or threat of a dangerous act; or
  - c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
2. When one or both of the following applies:
  - a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
  - b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

*All Other Terms and Conditions Remain Unchanged.*



# Marina Package Program

## Introduction

The Marina Package Program was developed by International Marine Underwriters for the convenience of the marina operator and boat dealer. The Program is a collection of different kinds of coverage which may be important to the marina operator and boat dealer. By choosing the appropriate Coverage Sections, described below, a marina operator and boat dealer can easily assemble a customized program. The Declarations pages will indicate what kinds of coverages are chosen by the particular marina operator and boat dealer under this Program, together with the limits of liability, deductibles, schedules of property and locations insured under each kind of coverage selected. Only those kinds of coverage specifically chosen for which the word "COVERED" is indicated and a premium is shown on page one of the Declarations, will be provided under the Program.

The liability coverages available through this Program, at the marina operator's and boat dealer's option, are designated herein as the following Coverage Sections:

- I. Marina Operators Legal Liability**
- II. Protection and Indemnity**
- III. Commercial General Liability**

The property coverages available through this Program, also at the marina operator's and boat dealer's option, are

- IV. Boat Dealers Insurance**
- V. Piers, Wharves, and Docks Insurance**
- VI. Business Property Insurance**
- VII. Equipment/Tools Insurance**
- VIII. Owned Watercraft Insurance**

Each of the Coverage Sections is subject to its own terms, conditions, exclusions and endorsements. These provisions, together with the Declarations for the particular Coverage Section, should be read carefully since they determine rights, duties, limitations and what is and is not covered.

In addition to the provisions for each Coverage Section, there are General Exclusions from Coverage applicable to all the Coverage Sections selected. These General Exclusions from Coverage are set forth in the section of this Program designated:

### **IX. General Exclusions from Coverage (Applicable to all Coverage Sections)**

There are also General Conditions of Coverage, which apply to all the Coverage Sections, in addition to the provisions of each Coverage Section. These General Conditions of Coverage are set forth in the section of this Program designated:

### **X. General Conditions of Coverage (Applicable to all Coverage Sections)**

The General Exclusions (Section IX) and the General Conditions (Section X) should also be read carefully, since they determine rights, duties, limitations and what is and is not covered with respect to all the Coverage Sections selected under this Program.

# Table of Contents

<b>Marina Operators Legal Liability .....</b>	<b>3</b>	11. Waiver of Depreciation.....	17
1. Coverage .....	3	12. Other Recoveries .....	17
2. Exclusion from Coverage .....	3	13. Release of Carrier's Liability .....	17
3. Newly Acquired Locations .....	3	14. Abandonment.....	17
4. Limited Pollution Coverage.....	3	15. Additional Coverages .....	17
<b>Protection &amp; Indemnity.....</b>	<b>5</b>	<b>Owned Watercraft Insurance.....</b>	<b>19</b>
1. Coverage .....	5	1. Coverage.....	19
2. Exclusions from Coverage.....	5	2. Territorial Limits.....	19
3. Medical Payments .....	6	3. Warranties.....	19
4. Limited Pollution Coverage.....	6	4. Exclusions from Coverage .....	19
5. Automatic Acquisition Clause .....	7	5. Valuation .....	20
6. Territorial Limits .....	7	6. Total Loss / Constructive Total Loss.....	20
<b>Commercial General Liability .....</b>	<b>8</b>	7. Partial Loss .....	20
1. CGL Clauses .....	8	8. Repair Clause .....	20
<b>Boat Dealers Insurance .....</b>	<b>9</b>	9. Unrepaired Damage.....	20
1. Coverage .....	9	10. Automatic Acquisition Clause .....	20
2. Property Covered .....	9	11. Appraisal .....	20
3. Property Not Covered.....	9	<b>General Exclusions .....</b>	<b>21</b>
4. Demonstration, Delivery, Testing and Transport Warranty.....	9	1. Extended Radioactive Contamination Exclusion Clause (RACE 3/1/03) .....	21
5. Territorial Limits .....	9	2. War Risk Exclusion .....	21
6. Exclusions from Coverage.....	9	3. Chemical, Biological, BioChemical and Electromagnetic Weapon Exclusion .....	21
7. Valuation.....	10	4. Punitive Damages Exclusion .....	22
8. Repairs .....	10	5. Absolute Pollution Exclusion.....	22
9. Carrier or Bailee .....	10	6. Health Hazard Exclusion.....	23
10. Unrepaired Damage .....	11	7. Employment Related Practices Exclusion ...	23
11. Abandonment .....	11	8. United States Economic and Trade Sanctions Clause.....	24
12. Reporting and Adjustment.....	11	9. AIMU Cyber Exclusion Clause.....	24
13. Dispute Resolution .....	11	<b>General Conditions .....</b>	<b>25</b>
<b>Piers, Wharves, &amp; Docks Insurance.....</b>	<b>12</b>	1. Insured .....	25
1. Coverage .....	12	2. Deductible .....	25
2. Property Covered .....	12	3. Limits of Liability.....	25
3. Property Not Covered.....	12	4. Claim Costs and Expenses.....	25
4. Warranty .....	12	5. Records and Reports .....	25
5. Exclusions from Coverage.....	12	6. Inspections and Surveys.....	26
6. Repair Costs .....	12	7. Concealment, Misrepresentation or Fraud.....	26
7. Valuation.....	13	8. Notice of Loss .....	26
8. Deductible.....	13	9. Protection of Property and Cooperation of the Insured .....	26
9. Coinsurance .....	13	10. Payment of Losses .....	26
10. Actual Cash Value Coverage .....	13	11. Subrogation.....	26
11. Replacement Cost Coverage .....	13	12. Impairment of Recovery Rights.....	26
12. Debris Removal .....	13	13. Cancellation .....	27
13. Appraisal.....	14	14. Conformity to Statutes .....	27
<b>Business Property Insurance .....</b>	<b>15</b>	15. Transfer of Legal Rights.....	27
1. Building and Personal Property Clauses ....	15	16. No Benefit to Bailee .....	27
<b>Equipment/Tools .....</b>	<b>16</b>	17. Other Insurance .....	27
1. Coverage .....	16	18. Changes.....	27
2. Property Covered .....	16	19. Coinsurance .....	27
3. Property Not Covered.....	16	20. Time for Suit.....	28
4. Territorial Limits .....	16	21. Mortgagee and Trustee Interest.....	28
5. Exclusions from Coverage.....	16	22. Captions, Titles Clause .....	29
6. Repair Costs .....	16	23. Reporting and Adjustment .....	29
7. Valuation.....	17	24. Definitions .....	29
8. Coinsurance .....	17		
9. Actual Cash Value Coverage .....	17		
10. Replacement Cost Coverage.....	17		

# Coverage Section I

## Marina Operators Legal Liability

### 1. Coverage

Subject to the General Exclusions from Coverage (Section IX) and the General Conditions of Coverage (Section X), this Coverage Section insures the legal liability of the Insured as a marina operator for loss or damage to boats, engines, trailers and outboard motors, the property of others, which are in its care, custody or control for purposes of repair, service, maintenance, consignment, storage, mooring, launching, hauling, fueling, docking or other similar marina operations.

We will be liable for covered operations only at the premises described in the Declarations, including adjacent moorings and while watercraft is being shifted or moved overland or in water within 100 miles of such premises and for property away from your premises in your or your employees' custody for covered marina operations or at locations of subcontractors who are working on vessels in connection with service and repair on behalf of the insured. Also including the legal liability of the Insured for loss or damage to the property of others caused by said boats, engines, trailers or outboard motors, the property of others, which are in your care, custody or control.

### 2. Exclusions from Coverage

This insurance does not cover any liability:

- 2.1 For bodily harm, bodily injury, personal injury, or death;
- 2.2 For demurrage, loss of time, loss of use, loss of freight, loss of charter and/or similar and/or substituted expenses assumed under a contract or agreement in extension of the liability imposed upon the insured by law in the absence of the contract or agreement;
- 2.3 Assumed under contract or agreement, express or implied, in extension of the liability imposed upon the insured by law in the absence of the contract or agreement;
- 2.4 For collision liability, tower's liability or liabilities insured against under the customary forms of hull or protection and indemnity policies arising out of the operation of any water-

craft owned or operated by or bareboat chartered to the Insured or any affiliated or subsidiary concern or party;

- 2.5 For property owned or leased to the Insured;
- 2.6 For the expense of redoing work improperly performed by or on behalf of the Insured or the cost of replacement of materials, parts, or equipment furnished in connection therewith;
- 2.7 For the cost or expense of repairing, replacing or renewing any faulty designed part or parts which cause(s) loss of or damage to the watercraft, or for any expenditure incurred by reason of a betterment or alteration in design;
- 2.8 For any loss or damage unless discovered prior to or within (60) sixty days of the delivery to owner or his agents or within (60) sixty days after the work is completed, whichever may first occur;
- 2.9 For wrongful conversion by or infidelity of the Insured or his employees or agents.

### 3. Newly Acquired Locations

You may extend the insurance that applies to newly acquired locations for thirty (30) days beginning the date you acquire the location. For coverage after thirty (30) days you must report the location to the Company, have the location endorsed to the policy effective the date you acquired it and pay the appropriate premium. If the Insured does not report such newly acquired location(s) within thirty (30) days, coverage will cease automatically thirty (30) days after the date the location(s) are acquired.

### 4. Limited Pollution Coverage

Subject to the terms and conditions of the Policy, including Exclusion No. 5 of the General Exclusions from Coverage (Section IX), coverage is extended to cover damage to boats, engines, trailers, and outboard motors, the property of others, which are in the Insured's care, custody or control for purposes of repair, service, maintenance, consignment, storage, mooring, launching, hauling, fueling, docking or other similar marina operations, that the In-

sured shall become legally liable to pay and shall pay in consequence of the sudden, accidental, unexpected and unintended discharge, emission, seepage, spillage or leakage upon or into the seas, waters, land or air, of smoke, vapor, soot, fumes, acids, alkalis, oil, fuel, cargo, petroleum products, chemicals or other substances of any kind or nature whatsoever.

Notwithstanding the above or anything contained in this Program, this insurance shall not indemnify the insured for any loss, damage, cost, liability or expense:

4.1 Arising out of the discharge, emission, seepage, spillage, or leakage unless caused by fault not constituting willful negligence or willful misconduct within the privity and knowledge of the Insured(s) or his managing officer(s) or managing agent(s);

4.2 Arising out of a discharge, emission, seepage, spillage, or leakage into or upon land, the atmosphere or any watercourse, water supply, reservoir or body of water, the occurrence of which cannot be identified as commencing at a specific point in time and did not become known to the Insured within 72 hours thereafter;

4.3 Arising out of liability in connection with waste disposal sites and/or the disposal or dumping of any material or waste substance of any nature whatsoever;

4.4 Arising out of fines, penalties or punitive damages resulting from the actual discharge, emission, seepage, spillage or leakage of smoke, vapor, soot, fumes, acids, alkalis, oil, fuel, cargo, petroleum products, chemicals or other substances of any kind or nature whatsoever.

## Coverage Section II

### Protection and Indemnity

#### 1. Coverage

Subject to the General Exclusions from Coverage (Section IX) and the General Conditions of Coverage (Section X), this Coverage Section insures the legal liability of the Insured arising from the ownership or operation of watercraft otherwise insured under either Coverage Sections I (Marina Operators Legal Liability), IV (Boat Dealers Insurance), or VIII (Owned Watercraft Insurance), but only if such Owned Watercraft are shown in the Schedule of Owned Watercraft of this Policy, for the sums the Insured becomes legally liable to pay with respect to:

- 1.1 Watercraft operated by the Insured or a competent "employee" of the Insured in conjunction with normal business operations;
- 1.2 Watercraft which breaks away from the premises scheduled in the Declarations;
  - 1.3.1 Watercraft owned by the Insured and rented to third parties.
  - 1.3.2 Watercraft at trade and/or exhibition shows but only while afloat.
  - 1.3.3 Watercraft while at a subcontractor's location for service or repair on behalf of the Insured.

and on account of:

- 1.4 Loss of life or bodily injury to any person;
- 1.5 Loss of or damage to any other vessel;
- 1.6 Loss of, or damage to, or expense in connection with any fixed or movable object or property of whatsoever nature;
- 1.7 Cost or expense of, or incidental to, the removal of wreck of the insured watercraft when such removal is compulsory by law;
- 1.8 Cost or expense of, or incidental to, the voluntary removal of wreck of the insured watercraft up to \$25,000;
- 1.9 Costs and expenses, incurred with the Company's approval, for investigating and/or de-

fending any claim or suit against the Insured arising out of a liability or an alleged liability of the Insured.

#### 2. Exclusions from Coverage

Notwithstanding the above, this policy does not cover:

- 2.1 Any loss of, or damage to, or expense in connection with, any property owned by, leased to, or rented to, the Insured;
- 2.2 Any liability, loss, damage or expense arising with respect to loss of life or injury to any employee of the Insured;
- 2.3 Any liability, loss, damage or expense assumed by the Insured under a contract or agreement beyond that imposed by law in the absence of the contract or agreement;
- 2.4 Any liability, loss, damage, or expense with respect to watercraft while onshore;
- 2.5 Any liability, loss, damage or expense arising out of the operation of jet skis, waverunners, sea doo's or similar personal watercraft;

This exclusion shall not apply if the Insured or a competent "employee" of the Insured is operating a jet ski, waverunner, sea doo or similar personal watercraft for the purpose of demonstration or testing.

- 2.6 Any liability, loss, damage or expense arising out of the use of any watercraft or personal watercraft for water skiing or any sport or activity in which objects or persons or both are towed;
- 2.7 Any liability, loss, damage or expense with respect to rental operations, unless the Insured obtains a signed rental agreement in which the renter holds harmless the Insured and the Insured's staff from any liabilities arising from the use of boats and/or equipment;
- 2.8 Any liability, loss, damage, or expense arising out of swimming, snorkeling, diving, or similar activities;

2.9 Any liability, loss, damage, or expense arising from the failure of the Insured to have a competent "employee" at all times in charge of any watercraft being navigated for the purpose of demonstration, delivery, testing or transport;

2.10 Any liability, loss, damage, or expense arising out of an occurrence where the watercraft operated was not at all times in compliance with the applicable Federal, State, and local rules and regulations including, but not limited to, any such regulation promulgated by the United States Coast Guard.

## **Additional Coverages**

### **3. Medical Payments**

We will pay to or for each person, excluding the insured or your employees, who sustains bodily injury caused by an "occurrence" during the policy period, the reasonable expenses of necessary medical, surgical, ambulance, hospital and professional nursing services and, in the event of death resulting from such injury, the reasonable funeral expense, all incurred within one year from the date of "occurrence", subject to the following conditions.

Medical Payments shall not apply:

3.1 To bodily injury to or death of any person:

- 3.1.1 To or for whom benefits are payable under any Worker's Compensation Act or under the Federal Longshoremen's and Harbor Worker's Compensation Act;
- 3.2.2 who is a trespasser in or upon or boarding or leaving any watercraft insured hereunder;
- 3.2.3 who is your "employee" while engaged in your employment;
- 3.2.4 to liability assumed by you under any contract or agreement;
- 3.2.5 while the watercraft is being used for purposes other than those allowed under this policy form.

The most the Company will pay under this Additional Coverage for any one "occurrence" is \$5,000 per person, \$25,000 in the aggregate occurring during each separate 12 month period of this policy,

regardless of the number of persons involved or claims made in the "occurrence".

No deductible applies to this Additional Coverage.

### **4. Limited Pollution Coverage**

Subject to the terms and conditions of the Policy, including Exclusion No. 5 of the General Exclusions from Coverage (Section IX), coverage is extended to cover those sums for which the Insured shall become legally liable to pay and shall pay as damages with respect to watercraft covered under Coverage Section II, Protection and Indemnity, in consequence of the actual sudden, accidental, unexpected and unintended discharge, emission, seepage, spillage or leakage upon or into the seas, waters, land or air, of smoke, vapor, soot, fumes, acids, alkalis, oil, fuel, cargo, petroleum products, chemicals or other substances of any kind or nature whatsoever.

Notwithstanding the above or anything contained in this Program, this insurance shall not indemnify the insured for any loss, damage, cost, liability or expense:

- 4.1 Arising out of the discharge, emission, seepage, spillage, or leakage unless caused by fault not constituting willful negligence or willful misconduct within the privity and knowledge of the Insured(s) or his managing officer(s) or managing agent(s);
- 4.2 Arising out of the discharge, emission, seepage, spillage, or leakage into or upon land, the atmosphere or any watercourse, water supply, reservoir or body of water, the occurrence of which cannot be identified as commencing at a specific point in time and did not become known to the Insured within 72 hours thereafter;
- 4.3 Arising out of liability in connection with waste disposal sites and/or the disposal or dumping of any material or waste substance of any nature whatsoever;
- 4.4 Arising out of fines, penalties or punitive damages resulting from the actual discharge, emission, seepage, spillage or leakage of smoke, vapor, soot, fumes, acids, alkalis, oil, fuel, cargo, petroleum products, chemicals or other substances of any kind or nature whatsoever.

## 5. Automatic Acquisition Clause

As respects the Protection and Indemnity Clauses hereunder, this insurance shall automatically cover any watercraft similar to the watercraft described in the Declarations that the Insured acquires through purchase, bareboat charter or otherwise during the currency of this policy.

Such acquisition shall be reported to the Company within thirty (30) days of the acquisition date with full particulars necessary to assess the risk and charge the appropriate premium. Should the Insured not report such watercraft within thirty (30) days of acquisition, any coverage provided by this provision shall be revoked as if the vessel were never covered and any such extension of coverage shall be deemed void ab initio.

The amount of insurance under this clause is limited to and shall not exceed the Limit of Liability stated in the Declarations.

## 6. Territorial Limits

This insurance covers the insured watercraft as per the locations and territorial limits described in:

- 6.1 Coverage Section I Marina Operators Legal Liability, and;
- 6.2 Coverage Section IV Boat Dealers, and;
- 6.3 Coverage Section VIII Owned Watercraft.



## **Coverage Section III**

### **Commercial General Liability**

#### **1. CGL Clauses**

- 1.1 Subject to the General Exclusions from Coverage (Section IX) and the General Conditions of Coverage (Section X), the standard form CGL Clauses (Insurance Services Office Form CG 00 01), as appended, is incorporated herein and shall be effective as shown in the Declarations for this Coverage Section.
- 1.2 In the event the forms incorporated herein under 1.1 differ from the General Conditions of Coverage (Section X), the forms herein shall be considered paramount and shall override anything to the contrary in the General Conditions of Coverage (Section X).

# COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

## SECTION I – COVERAGES

### COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:
- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

## 2. Exclusions

This insurance does not apply to:

### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

### b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

### c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

### d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

### e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

**f. Pollution**

- (1)** "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
  - (a)** At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
    - (i)** "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
    - (ii)** "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
    - (iii)** "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
  - (b)** At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - (c)** Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    - (i)** Any insured; or
    - (ii)** Any person or organization for whom you may be legally responsible; or
  - (d)** At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
    - (i)** "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
    - (ii)** "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
    - (iii)** "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
  - (e)** At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

**g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
- (b) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

**h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

**i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**j. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;

- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

**k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**n. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

**p. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**q. Recording And Distribution Of Material Or Information In Violation Of Law**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or

- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

## **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**

### **1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

### **2. Exclusions**

This insurance does not apply to:

#### **a. Knowing Violation Of Rights Of Another**

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

#### **b. Material Published With Knowledge Of Falsity**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

#### **c. Material Published Prior To Policy Period**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

#### **d. Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

#### **e. Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

#### **f. Breach Of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

#### **g. Quality Or Performance Of Goods – Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

#### **h. Wrong Description Of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

**i. Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

**j. Insureds In Media And Internet Type Businesses**

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

**k. Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

**l. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-related**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**o. War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**p. Recording And Distribution Of Material Or Information In Violation Of Law**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.



## **COVERAGE C – MEDICAL PAYMENTS**

### **1. Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;
- provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

### **2. Exclusions**

We will not pay expenses for "bodily injury":

#### **a. Any Insured**

To any insured, except "volunteer workers".

#### **b. Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

#### **c. Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

### **d. Workers' Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

### **e. Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

### **f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

### **g. Coverage A Exclusions**

Excluded under Coverage A.

## **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

- g.** All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

- 2.** If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

  - a.** The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
  - b.** This insurance applies to such liability assumed by the insured;
  - c.** The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
  - d.** The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
  - e.** The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
  - f.** The indemnitee:

    - (1)** Agrees in writing to:

      - (a)** Cooperate with us in the investigation, settlement or defense of the "suit";
      - (b)** Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
      - (c)** Notify any other insurer whose coverage is available to the indemnitee; and
      - (d)** Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
    - (2)** Provides us with written authorization to:

      - (a)** Obtain records and other information related to the "suit"; and
      - (b)** Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2)** of Section **I – Coverage A – Bodily Injury And Property Damage Liability**, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

## **SECTION II – WHO IS AN INSURED**

- 1.** If you are designated in the Declarations as:

  - a.** An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - b.** A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - c.** A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d.** An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - e.** A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:
  - a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
    - (1) "Bodily injury" or "personal and advertising injury":
      - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
      - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
      - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
      - (d) Arising out of his or her providing or failing to provide professional health care services.
    - (2) "Property damage" to property:
      - (a) Owned, occupied or used by;
      - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by; you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
  - b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
  - c. Any person or organization having proper temporary custody of your property if you die, but only:
    - (1) With respect to liability arising out of the maintenance or use of that property; and
    - (2) Until your legal representative has been appointed.
  - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
  - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  - c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
  - a. Medical expenses under Coverage **C**;
  - b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
  - c. Damages under Coverage **B**.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph **2.** above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph **2.** or **3.** above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage **A**; and
  - b. Medical expenses under Coverage **C**
 because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph **5.** above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph **5.** above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

#### **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**

##### **1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

##### **2. Duties In The Event Of Occurrence, Offense, Claim Or Suit**

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and

- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
  - (1) Immediately record the specifics of the claim or "suit" and the date received; and
  - (2) Notify us as soon as practicable.
 You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
  - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

##### **3. Legal Action Against Us**

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

#### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

##### a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

##### b. Excess Insurance

###### (1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
  - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
  - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
  - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
  - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability.
- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

###### (2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

###### (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all that other insurance.

###### (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

##### c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

#### 5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

#### 6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;

- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

#### **7. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

#### **8. Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

#### **9. When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

### **SECTION V – DEFINITIONS**

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
  - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
  - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
  - c. All other parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
    - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
    - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

**9. "Insured contract" means:**

- a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b.** A sidetrack agreement;
- c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e.** An elevator maintenance agreement;
- f.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1)** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3)** Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

**10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".**

**11. "Loading or unloading" means the handling of property:**

- a.** After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b.** While it is in or on an aircraft, watercraft or "auto"; or
- c.** While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

**12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:**

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b.** Vehicles maintained for use solely on or next to premises you own or rent;
- c.** Vehicles that travel on crawler treads;
- d.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1)** Power cranes, shovels, loaders, diggers or drills; or
  - (2)** Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2)** Cherry pickers and similar devices used to raise or lower workers;
- f.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

**13.** "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

**14.** "Personal and advertising injury" means injury, including consequential "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, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

**15.** "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**16.** "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
  - (a) When all of the work called for in your contract has been completed.
  - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
  - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

**17.** "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.



As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**18.** "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

**19.** "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

**20.** "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

**21.** "Your product":

**a.** Means:

- (1)** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - (a)** You;
  - (b)** Others trading under your name; or
  - (c)** A person or organization whose business or assets you have acquired; and
- (2)** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

**b.** Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2)** The providing of or failure to provide warnings or instructions.

**c.** Does not include vending machines or other property rented to or located for the use of others but not sold.

**22.** "Your work":

**a.** Means:

- (1)** Work or operations performed by you or on your behalf; and
- (2)** Materials, parts or equipment furnished in connection with such work or operations.

**b.** Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2)** The providing of or failure to provide warnings or instructions.

## **LEAD PAINT-EXCLUSION**

This insurance does not apply to "bodily injury", "property damage", "personal injury" or "advertising injury" arising out of the manufacture or use of or exposure to lead or lead based

paint or to any obligation of any insured to indemnify another because of damages arising out of such injury or damage.



**Atlantic Specialty Insurance Company**

THIS ENDORSEMENT MODIFIES COVERAGE PROVIDED UNDER  
SECTION III COMMERCIAL GENERAL LIABILITY COVERAGE FORM

**TOTAL EXCLUSION FUNGI, SPORE, BACTERIA OR VIRUS**

This insurance does not apply to “bodily injury,” “property damage,” “personal injury,” “advertising injury,” or “personal and advertising injury” of any nature whatsoever, concurrently or non-concurrently caused by, arising out of, resulting from, contributed to, aggravated by, or in any way related to, directly or indirectly, in whole or in part, any fungi (including but not limited to any mold, mildew, yeast or mycotoxin), spore, bacteria or virus.

This exclusion does not apply to “bodily injury” arising out of the ingestion of food, beverage, or FDA approved nutritional supplement or medication.

All Other Terms and Conditions Remain Unchanged.

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## **ADDITIONAL INSURED - CONDOMINIUM UNIT OWNERS**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

WHO IS AN INSURED (Section II) is amended to include as an insured each individual unit owner of the insured condominium, but only with respect to liability arising out of the ownership, maintenance or repair of that portion of the premises which is not reserved for that unit owner's exclusive use or occupancy.



## **Coverage Section IV**

### **Boat Dealers Insurance**

### **This Section is Not Covered**

## Coverage Section V

### Piers, Wharves, and Docks Insurance

#### 1. Coverage

Subject to the General Exclusions from Coverage (Section IX) and the General Conditions of Coverage (Section X) this Coverage Section insures against all risks of direct physical loss of, or damage to, the property insured from any external cause, except as provided in the Exclusions hereto.

#### 2. Property Covered

Your piers, wharves and docks, floats, platforms, gangplanks, pilings, walkways, wiring, appurtenant plumbing and all other property permanently attached thereon, including roofs or coverings, as described in the Declarations for this Coverage Section.

#### 3. Property Not Covered

Breakwaters, bulkheads, retaining walls, sea walls, ripraps, jetties and similar properties built to control water movement or erosion unless scheduled in the Declarations.

#### 4. Warranty

This insurance shall be void unless:

The character of the insured property, its design and construction, shall remain materially the same during the term of this insurance. Conditioned upon immediate written notice to this Company, temporary alterations or changes which are incidental to the performance of necessary repairs shall not constitute a breach of this warranty.

#### 5. Exclusions from Coverage

This insurance does not apply to loss, damage, liability or expense to any property resulting directly or indirectly from any of the following. Such loss damage, liability or expense is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, liability or expense.

- 5.1 Vermin, insects, mold, marine life, weathering, wear and tear, gradual deterioration, latent defect, inherent vice, mechanical breakdown, lack of maintenance or faulty manufacture;
- 5.2 Actual work on the property covered, and resulting from such work, except with respect to ensuing loss caused by or resulting from fire, explosion, or water damage not otherwise excluded by this policy;
- 5.3 Misappropriation, secretion, conversion, infidelity or any dishonest act on the part of the Insured or other party of interest, his or their employees or agents, or others to whom the property may be entrusted;
- 5.4 Electricity other than lightning unless fire ensues and then only for loss or damage by such ensuing fire;
- 5.5 Freezing, ice damage or collapse from the weight of ice or snow. However, ice damage from ice flows as part of a debris field or flood is covered;
- 5.6 Stranding, meaning contact of the floating marinas and/or floating docks or any part thereof with the bottom or sides of the body of water or any object in or protruding therefrom as a direct result of insufficient depth of water to maintain the floating marinas and/or floating docks in a floating condition.

#### 6. Repair Costs

It shall be the option of the Company to take possession of any material which has been replaced by new material at the expense of the Company, and also to repair, rebuild or replace any property lost or damaged with another of like kind and quality within a reasonable time, on giving notice of its intention to do so within thirty (30) days after the receipt of the proof of loss herein required; there can be no abandonment to the Company of any property insured under this Coverage Section.

In no event shall the Company be liable for any increase in cost of repairs or reconstruction by any law, ordinance, regulation, permit or license regulating construction or repair.

## 7. Valuation

The most the Company will pay for loss or damage to the insured property is the insured value indicated in the Declarations for this Coverage Section.

All Covered Property as described in the Declarations for this Coverage Section must be insured for its total value as of the time of loss or damage, as per the percentage of coinsurance shown in the Declarations.

## 8. Deductible

The Company will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage exceeds the Deductible shown in the Declarations or endorsed to the policy. The company will then pay the amount of the adjusted loss or damage in excess of the Deductible up to the applicable Limit of Insurance. The Deductible applies to all partial and total losses.

## 9. Coinsurance

If a coinsurance percentage is shown in the Declarations the coinsurance provision applies as per General Conditions of Coverage, Section X, Clause 19. If the full value of the insured property is not declared, the application of General Conditions of Coverage, Section X, Clause 19 may result in payment by the Company of less than the full value of the claim.

## 10. Actual Cash Value Coverage

The Company shall not be liable for more than its proportion of the actual cash value of the property damaged or lost at the time any loss or damage occurs and in no event shall the Company's liability exceed what it would cost to repair or replace the same with material of like kind and quality. The coinsurance percentage for Actual Cash Value coverage is 80%.

## 11. Replacement Cost Coverage

If indicated in the Declarations, replacement cost (without deduction for depreciation) replaces actual cash value coverage. The coinsurance percentage for Replacement Cost coverage is 90%.

11.1 We will not pay on a replacement cost basis for any loss or damage:

11.1.1 Until the lost or damaged property is actually repaired or replaced; and

11.1.2 Unless the repairs or replacement are made as soon as possible after the loss or damage.

11.2 We will not pay more for loss or damage on a replacement cost basis than the least of:

11.2.1 The insured value applicable to the lost or damaged property; or

11.2.2 The cost to replace, on the same premises, the lost or damaged property with other property of comparable material and quality used for the same purpose; or

11.2.3 The amount you actually spent that is necessary to repair or replace the lost or damaged property.

## 12. Debris Removal

12.1 We will pay your expense to remove debris of Covered Property described in the Declarations caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to the Company in writing within 180 days of the date of direct physical loss or damage.

12.2 The most we will pay under this Additional Coverage is 10% of the total covered property described in the Declarations or \$50,000 any one occurrence, whichever is less.

12.3 This Additional Coverage does not apply to costs to:

12.3.1 Extract "pollutants" from land or water; or

12.3.2 Remove, restore or replace polluted land or water.

12.4 "Pollutant" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, oil, fuel, cargo, petroleum products, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

### **13. Appraisal**

If the Company and the insured disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge or a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

13.1 Pay its chosen appraiser; and

13.2 Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.



## **Coverage Section VI**

### **Business Property Insurance**

### **This Section is Not Covered**

## **Coverage Section VII**

### **Equipment / Tools**

**This Section is Not Covered**



## **Coverage Section VIII**

### **Owned Watercraft Insurance**

### **This Section is Not Covered**

## Coverage Section IX

### **General Exclusions from Coverage** **Applicable to All Coverage Sections**

Notwithstanding anything to the contrary provided for in any of the Coverage Sections or the General Conditions of Coverage of this Program, the following exclusions from coverage shall be considered paramount and shall override anything stated to the contrary in any of the Coverage Sections and in the General Conditions of Coverage.

#### **1. Extended Radioactive Contamination Exclusion Clause (RACE March 1, 2003)**

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

- 1.1 Ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- 1.2 The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- 1.3 Any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- 1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this subclause 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.

This insurance is subject to the Extended Radioactive Contamination Exclusion Clause (3/1/03) provided that:

If fire is an insured peril, and where the subject matter is within the USA, its islands, onshore territories or possessions, and a fire arises directly or indirectly from one or more of the causes detailed in Sub-Clauses 1.1, 1.2 and 1.4 of the Extended Radioactive Contamination Exclusion Clause 3/1/03, any loss or damage arising directly from that fire shall, subject to the provisions of this insurance, be covered, EXCLUDING, however, any loss, damage,

liability or expense caused by nuclear reaction, nuclear radiation, or radioactive contamination arising directly or indirectly from that fire.

#### **2. War Risk Exclusion**

This insurance does not apply to loss, damage, liability or expense directly or indirectly caused by, contributed to or resulting from:

- 2.1 Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack:
  - 2.1.1 By any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or
  - 2.1.2 By military, naval or air forces; or
  - 2.1.3 By an agent of any such government, power, authority or forces, except when such agent is acting secretly and not in connection with any operation of armed forces (whether military, naval or air forces) in the country where the property is situated.
- 2.2 Any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
- 2.3 Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority;

#### **3. Chemical, Biological, Bio-Chemical and Electromagnetic Weapon Exclusion**

This insurance does not apply to loss, damage, liability or expense directly or indirectly caused by, or contributed to or resulting from, any chemical, biological, bio-chemical or electromagnetic weapon.

## 4. Punitive Damages Exclusion

This insurance does not apply to loss, damage, liability or expense directly or indirectly imposed on the Insured as punitive or exemplary damages, however described and under whatever circumstances.

## 5. Absolute Pollution Exclusion

5.1 This insurance does not apply to any loss, damage, liability or expense that the insured shall become liable to pay and shall pay for "bodily injury", or "property damage" directly or indirectly arising out of, contributed to, or resulting from, the actual, alleged or threatened "release" of "pollutants" into or upon land, the atmosphere or any watercourse, water supply reservoir or body of water.

It is further agreed that the intent and effect of this exclusion is to delete from any and all coverages afforded by this insurance (except as provided in 5.3 below) any "occurrence", claim, suit, cause of action, liability, settlement, judgment, defense costs or expenses in any way arising out of such "release" whether or not such "release" arises out of the activities of the Insured or the activities of others and whether or not such "release" is sudden or gradual and whether or not such "release" is expected, intended, foreseeable, fortuitous, accidental or inevitable, and wherever such "release" occurs.

5.2 It is hereby agreed that this insurance shall not apply to:

5.2.1 "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

5.2.1.1 At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured;

5.2.1.2 At or from any premises, site or location which is or was at any time used by or for any Insured or others for the handling, storage, disposal, processing or treatment of waste;

5.2.1.3 Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for the Insured or any person or organization for whom you may be legally responsible; or

5.2.1.4 At or from any premises or site or location on which any Insured or any contractors or subcontractors working directly or indirectly on any Insured's behalf are performing operations:

5.2.1.4.1 If the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor; or

5.2.1.4.2 If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

5.2.1.4.3 Arising from products manufactured, sold, handled or distributed by or on behalf of the Insured.

5.2.1.4.4 Arising from operations completed by or on behalf of the Insured.

5.2.2 Any loss, cost or expense arising out of any request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

5.2.3 Any loss, cost or expense arising out of any claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring,

cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".

- 5.3 This exclusion applies to all Coverage Sections; however, Coverage Sections I, II, III, VI and VII contain provisions which shall be construed as additional to the terms of this exclusion.

## 6. Health Hazard Exclusion

This insurance does not apply to loss, damage, liability, or expense (including "bodily injury," "property damage," or "personal and advertising injury" as defined in Coverage Section III) arising out of or caused by:

- 6.1 "Asbestos", asbestos fibers or products containing asbestos, "lead", "polychlorinated biphenyl", silica, or benzene;
- 6.2 Including, but not limited to, inhalation of, ingestion or absorption of, or any singular or continuous or intermittent exposure to, any of the above or any goods or products containing any of the above; or the use of any of the above in goods, products or structures; or the manufacture, transportation, storage, handling, distribution, sales, application, mining, consumption or disposal of any of the above.
- 6.3 Any obligation of the Insured to indemnify or contribute with another because of damages arising out of such injury or damage; or
- 6.4 Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection therewith;
- 6.5 This insurance does not apply to loss, damage, liability or expense (including "bodily injury", "property damage", "personal and advertising injury" as defined in Coverage Section III) directly, indirectly, concurrently or otherwise due to, caused by, arising out of, resulting from, contributed to, aggravated by, or in any way related to:

The continuous, intermittent or repeated exposure to ingestion of, inhalation of or absorption of, any substance, material, product, waste, emission, noise or environmental disturbance for which the Insured is or may be liable for any reason including, but not limited to, as a result of manufacture, production, extraction, sales, handling, utilization, distribution, disposal or

creation by or on behalf of the Insured or such substance, material, product, waste, emission, noise or environmental disturbance.

- 6.6 It is further agreed that the Company shall have no duty or obligation to provide or pay for the investigation or defense of any loss, cost, expense, claim or suit excluded herein.

## 7. Employment-Related Practices Exclusion

This insurance does not apply to:

- 7.1 "Bodily Injury" and/or "Personal and Advertising Injury" (as defined in Coverage Section III) to:
- 7.1.1 A person arising out of any:
- 7.1.1.1 Refusal to employ that person.
- 7.1.1.2 Termination of that person's employment; or
- 7.1.1.3 Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- 7.2 The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" and/or "personal and advertising injury" to that person at whom any of the employment-related practices described in paragraphs 7.1.1.1, 7.1.1.2 or 7.1.1.3 above is directed.
- 7.3 This exclusion applies:
- 7.3.1 Whether the injury-causing event described in paragraphs 7.1.1.1, 7.1.1.2 or 7.1.1.3 above occurs before employment, during employment or after employment of that person;
- 7.3.2 Whether the insured may be liable as an employer or in any other capacity; and
- 7.3.3 To any obligation to share damages with or repay someone else who must pay damages because of the injury.

## 8. United States Economic and Trade Sanctions Clause

Whenever coverage provided by this policy would be in violation of any United States economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the United States Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void.

Similarly, any coverage relating to or referred to in any certificates or other evidences of insurance or any claim that would be in violation of United States economic or trade sanctions as described above shall also be null and void.

## 9. AIMU Cyber Exclusion Clause (11/6/2015)

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

1. any "malicious act" involving the use of any "computer system", "electronic data communications system", "computer virus", or process or any other electronic system; and/or
2. any access to or disclosure of any "personally identifiable information" or any person's or organization's confidential information, including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, or any other type of nonpublic information; and/or
3. any action or omission that violates or is alleged to violate any federal, state or local statute that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating, or distribution of any written or electronic material or information.

Where this policy provides coverage for War Risks, section 1 above shall not operate to exclude losses which would otherwise be covered by such War Risks coverage.

### Definitions

"Computer system" means computer hardware of any kind; "electronic computer program"; "electronic data processing media"; operating system; media microchip; microprocessor (computer chip); integrated circuit or similar device; computer network

and networking equipment; firmware; server; website; extranet; and all input, output, processing, storage, and off-line media libraries.

"Computer virus" means any corrupting, harmful or otherwise unauthorized instructions or code including, but not limited to, any maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a "computer system" or network of whatsoever nature.

"Electronic computer program" means computer software, application software, and other recorded instructions for the processing, sequencing, collecting, transmitting, recording, retrieval, or storage of "electronic data".

"Electronic data" means information or knowledge recorded or transmitted in a form usable in a "computer system", microchip, integrated circuit or similar device in non-computer equipment, and which can be stored on "electronic data processing media" for use by an "electronic computer program".

"Electronic data communications system" means any communication system, including a "computer system" and the internet, which provides the Assured with access to another "computer system", microchip, integrated circuit or similar device in non-computer equipment, or which provides any party access to the Assured's "computer system", microchips, integrated circuits or similar devices in non-computer equipment.

"Electronic data processing media" means punch cards, paper tapes, floppy disks, CD-ROM, hard drives, magnetic tapes, magnetic discs or any other tangible personal property on which "Electronic data" or "electronic computer programs" are recorded or transmitted, but not the "electronic data" or "electronic computer programs" themselves. Money or securities are not "electronic data processing media".

"Malicious act" shall mean the intentional and wrongful action or actions of one or more persons, whether or not agents of a sovereign power.

"Personally identifiable information" shall mean information, whether printed or digital, encrypted or unencrypted, in the care custody or control of any Assured which alone or in conjunction with other information can be used to uniquely identify an individual. However, "personally identifiable information" does not include information which is lawfully available to the general public.

# Coverage Section X

## **General Conditions of Coverage** **Applicable to All Coverage Sections**

The following conditions of coverage apply to all Coverage Sections of this insurance program, including endorsements.

### **1. Insured**

With respect to the insurance provided hereunder, the unqualified word "Insured" includes the Named Insured, provided that (1) if the Named Insured is designated as an individual, the insurance applies only to the conduct of a business of which he is a sole proprietor, (2) if the Named Insured is or includes a partnership or joint venture, any partner or member thereof but only in respect to his liability as such, and (3) the employees of the Insured are acting within the scope of their duties and in the course of their employment.

This insurance applies separately to each Insured against whom claim is made or suit is brought, but the inclusion herein of more than one Insured shall not operate to increase the applicable limit of this Company's liability.

### **2. Deductible**

2.1 This insurance will not pay for loss or damage in any one "occurrence" until the amount of loss or damage exceeds the applicable deductible shown in the Declarations or endorsed to the policy. This insurance will then pay for the loss or damage in excess of the deductible, up to the applicable limit of insurance shown in the Declarations. The Deductible applies to all partial and constructive losses. One "occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

2.2 No deductible applies to Coverage Section II or Section III unless a deductible is shown in the Declarations.

### **3. Limits of Liability**

3.1 The Limits of Liability of this Company are the insurance limits stated in the Declarations for

each Coverage Section. The limits include all loss, damage and expenses which arise out of one occurrence.

3.2 The Company's liability with respect to all loss, damage or expenses which arise out of any one accident or occurrence shall not exceed the limit indicated in the Declarations regardless of how many separate injuries or claims arise out of such accident or occurrence.

### **4. Claim Costs and Expenses**

The cost of defending any suit against the Insured on any claim based on a liability or an alleged liability of the Insured covered by any of the liability Coverage Sections, shall be payable by this insurance if the amount of the claim hereunder exceeds the amount of the deductible shown in the Declarations, but this insurance shall not be liable for the cost or expense of prosecuting or defending any suit unless the same shall have been incurred with the written consent of this Company. This Company, however, reserves the right of naming attorneys who shall represent the Insured in prosecution or defense of any litigation or negotiations between the Insured and third parties concerning any claim covered by this policy. This Company shall control the direction of such litigation or negotiations. If the Insured shall fail or refuse to settle any claim as authorized by this Company, the liability of this Company shall be limited to the amount for which settlement could have been made. The right and duty to defend ends when the applicable limits of insurance shown in the Declarations have been exhausted in the payment of judgments and/or settlements and/or claim costs and expenses under the relevant Coverage Section; the costs and expenses of defending any suit against the Insured are included in determining when the applicable limits of insurance have been reached.

### **5. Records and Reports**

The Insured agrees to maintain accurate records pertaining to coverages under this insurance program and to report to this Company as specified in the Declarations or applicable Coverage Sections. Such records shall be open to inspection by this



Company or their representatives at all times during normal business hours during the currency of this policy and for three (3) years following expiration or until final settlement of all claims, whichever is later.

## **6. Inspections and Surveys**

This Company has the right but is not obligated to:

- 6.1 Make inspections and surveys at any time;
- 6.2 Give you reports on the conditions found; and
- 6.3 Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. This Company does not make safety inspections nor undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public.

And this Company does not warrant that conditions:

- 6.4 Are safe or healthful; or
- 6.5 Give you reports on the conditions found; and

This condition applies not only to this Company, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

## **7. Concealment, Misrepresentation or Fraud**

This insurance Program shall be void as to all interests insured if, whether before or after a loss, any insured hereunder has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interests of the insured therein, or in the case of any fraud or false swearing by any insured hereunder relating thereto.

## **8. Notice of Loss**

The Insured shall as soon as practicable report in writing to the Company or its agent every loss, damage or occurrence which may give rise to a claim under this policy and shall also file with the Company or its agent within ninety (90) days from date of discovery of such loss, damage or occurrence, a detailed sworn proof of loss. If claim is made or suit is brought against the Insured, the In-

sured shall immediately notify the Company and forward to the Company every demand, notice, summons or other legal process.

## **9. Protection of Property and Cooperation of the Insured**

In case of loss it shall be necessary and lawful for the Insured, his or their factors, employees and assigns, to sue, labor and travel for, in and about the defense, safeguard and recovery of the property insured hereunder, or any part thereof, without prejudice to this insurance, nor shall the acts of the Insured or Company, in recovery, saving and preserving the property insured in case of loss be considered a waiver or acceptance of abandonment. The expense so incurred shall be borne by the Insured and the Company proportionately to the extent of their respective interests.

The Insured shall cooperate with the Company and upon the Company's request shall aid in securing information, evidence, obtaining of witnesses and in all other matters which the Company may deem necessary in respect to any occurrence as hereunder provided.

## **10. Payment of Losses**

All adjusted claims shall be paid or made good to the Insured within sixty (60) days after presentation and acceptance of satisfactory proof of interest and loss at the office of this Company. No loss shall be paid or made good if the Insured has collected the same from others.

## **11. Subrogation**

In the event of any payment under this policy the Company shall be subrogated to all the Insured's rights of recovery thereof against any person or entity, and the Insured shall do whatever necessary to secure such rights.

## **12. Impairment of Recovery Rights**

If any act or agreement of the Insured, before or after a loss arises, impairs the Insured's right to recover from others, the Company will not cover the loss or damage; nor will the Company cover any loss or damage which the Insured settles or compromises without the written consent of the Company.

## 13. Cancellation

Either the Insured or the Company can cancel this policy at any time.

### 13.1 Cancellation By The Insured

The Insured can cancel this insurance by sending the Company notice of the future date the Insured wants the coverage to end. The Company will then refund any unearned portion of the premium you paid, on a short-rate basis.

### 13.2 Cancellation by the Company

The Company can cancel the insurance, or any individual Coverage Section, by sending to the Insured first named in the Declarations, at the address shown on the Declarations, notice of the effective date of cancellation. The Company must do this at least 30 days prior to the cancellation date unless the Company is canceling the insurance because the Insured failed to pay premiums. In that case, the Company is required to give the Insured only 10 days notice. Mailing or delivery of the notice will be proof that the Insured was informed of the cancellation. The Company will also notify any mortgagee shown in the Declarations.

13.3 Additional premium may be due and owing to this Company upon cancellation for those Coverage Sections underwritten on a reporting basis, since reports are to be rendered to the date of cancellation.

## 14. Conformity to Statutes

Terms of this insurance which are in conflict with the statutes of the State wherein this insurance is issued are hereby amended to conform to the minimum requirements of such statutes.

## 15. Transfer of Legal Rights

The Insured may not agree to transfer any legal rights or interest the Insured has in this policy without the prior written consent of the Company.

However, if the Insured is an individual and the Insured dies, the Company will provide the following coverage:

15.1 To the insured's legal representative, but only with respect to duties as such. That repre-

sentative will have all your rights and duties under this policy.

15.2 To any person who has proper temporary legal custody of the Insured's property, but only with respect to liability arising out of the maintenance or use of that property and until a qualified legal representative is appointed.

## 16. No Benefit to Bailee

No person or organization, other than the Insured, having custody of Covered Property, will benefit from this insurance.

## 17. Other Insurance

17.1 The Insured may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under any of the Coverage Sections of this Program. If so, the Company will pay its share of the covered loss or damage. That share is the proportion that the applicable Limit of Insurance under the pertinent Coverage Section bears to the Limits of Insurance of all insurance covering on the same basis.

17.2 If there is other insurance covering the same loss or damage, other than that described in 17.1 above, the Company will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether the Insured can collect on it or not. But the Company will not pay more than the applicable Limit of Insurance.

## 18. Changes

This policy contains all the agreements between the Insured and the Company concerning the insurance afforded. The Insured first named in the Declarations is authorized to make changes in the terms of this Program with the consent of the Company. This policy's terms can be amended or waived only by endorsement issued by the Company and made part of this insurance Program.

## 19. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

- 19.1 The Company will not pay the full amount of any loss if the value of the insured property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, the Company will determine the most the Company will pay using the following steps:

- 19.1.1 Multiply the value of the insured property at the time of loss by the coinsurance percentage;
- 19.1.2 Divide the Limit of Insurance of the property by the figure determined in step 19.1.1;
- 19.1.3 Multiply the total amount of loss, before the application of any deductible, by the figure determined in step 19.1.2; and
- 19.1.4 Subtract the deductible from the figure determined in step 19.1.3.

The Company will pay the amount determined in step 19.1.4 or the Limit of Insurance, whichever is less. For the remainder, the Insured will either have to rely on other insurance or absorb the loss itself.

- 19.2 If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

## 20. Time for Suit

- 20.1 No action shall lie against the Company for the recovery or any liability loss sustained by the Insured unless such action be brought against the Company within one (1) year after the final judgment or decree is entered in the litigation against the Insured, or in case the claim against the Company accrues without the entry of such final judgment or decree, unless such action be brought within one (1) year from the date of the payment of such action.
- 20.2 No action shall lie against the Company for the recovery of any claim for loss or damage to the Insured's own property (or other property insured on a first-party basis) unless commenced within one (1) year after the calendar date of the happening of the physical loss or

damage out of which the claim is said to have arisen.

- 20.3 Provided, however, that where the limitations of time provided for in 20.1 and 20.2 are prohibited by the State wherein this insurance is issued, then and in that event no action under this insurance shall be sustainable unless commenced within the shortest limitation permitted under the laws of such State.

## 21. Mortgagee and Trustee Interest

- 21.1 If there is loss to any real property covered under any Coverage Section, the Company will pay any mortgagee or trustee named in the Declarations up to his, her or its interest in that property. This provision will apply to all present or future mortgages in the order of precedence of these mortgages.

Regarding the interest of any mortgagee or trustee designated in the Declarations, this insurance will not be invalidated by any of the following:

- 21.1.1 Any act or neglect by any mortgagor or owner of the property;
- 21.1.2 Foreclosure or other proceedings, or notice of sale relating to the property;
- 21.1.3 Change in title or ownership of the property; or
- 21.1.4 Occupation of the premises for the purposes more hazardous than existed when this insurance took effect.

The mortgagee or trustee must notify the Company of any change of ownership or occupancy, or of any increase in hazard which he, she or it learns about. If required by the Company, the insurance program will be amended to reflect this change. If the Insured fails to pay any premium due because of an increase in hazard, the mortgagee or trustee must pay this premium.

And if the Insured fails to pay any premium due under this policy, the Company has a right to collect the premium from the mortgagee or trustee.

### 21.2 Mortgagee Interest After a Loss

If the Company pays any loss under this insurance program to a mortgagee, and the

Company claims it didn't have a legal duty to make payment to the mortgagor or owner, the Company can take over all the rights of the mortgagee, to the extent of our payment. These rights apply to all the securities that were pledged to secure the mortgage loan.

If the Company declines to do that, the Company is allowed to pay the mortgagee the rest of the principal and the interest on the mortgage. The Company will then get a full assignment and transfer of the mortgage right away. That means the Company has all the rights the mortgagee had originally. However, an assignment will not impair the right of the mortgagee to recover the full amount of its claim.

## 22. Captions, Titles Clause

Captions, titles and indexes used in this insurance Program are used for ease of reference only, and are not to be used to interpret the terms, conditions, exclusions or limitations of the insurance provided under the program.

## 23. Reporting and Adjustment

Insurance provided under Sections I and III of this policy are subject to the deposit shown in the Declarations, and to an annual adjustment of the earned premium at the rates indicated unless a Flat premium is indicated.

The Insured shall report to the Company, or its Agent, within 30 days following the expiry of this insurance, an accurate statement of:

### 23.1 Total "receipts";

"Receipts" means gross income from dock / slip rental, mooring rental, storage, hauling/launching, fueling, boat brokerage commissions, repairs including parts and labor, regatta fees, sailing schools, membership dues, boat rental, camping fees, cabin rental, gate fees, subcontractor receipts, tenant rents and all other miscellaneous income.

### 23.2 Total "sales";

"Sales" means gross income from sale of new and/or used boats, boat trailers, marine engines, marine supplies and accessories, internet and ship store sales, restaurant / convenience store / snack bar / liquor sales.

The earned premium shall be calculated by applying the figures reported above to the rates indicated in the Declarations. If the earned premium is less than the deposit premium, and the coverage section is not subject to a minimum premium, the difference shall be refunded to the Insured. If the earned premium exceeds the deposit premium, the amount of such excess shall be paid by the Insured to the Company as an additional premium at the time of filing the report on which the earned premium is due.

### 23.3 Boat Dealer's Inventory

Refer to Coverage Section IV, Boat Dealers Insurance, Clause 12, Reporting and Adjustment.

## 24. Definitions

"Asbestos" means all forms of actinolite, amosite, anthophyllite, chrysotile, crocidolite, tremolite, asbestos containing materials, asbestos products, asbestos fibers, asbestos dust, asbestos waste, or any goods, products, or structures containing asbestos.

"Bodily Injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

"Employee" means any person working in the business of the Insured or any company related or affiliated with the Insured and who is compensated for their time and who receives either a W-2 or 1099 from the insured. This definition does not apply to any liability arising under Coverage Section III, Commercial General Liability.

"Lead" means all lead, lead dust, lead-based products, lead-containing materials, lead-containing waste, or any goods, products, or structures containing lead.

"Loss" means direct and accidental loss or damage.

"Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

"Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, oil, fuel, cargo, petroleum products, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

"Polychlorinated biphenyl" means any product which is known as polychlorinated biphenyl, contains polychlorinated biphenyl, has the same chemical formula as polychlorinated biphenyl, is a derivative of polychlorinated biphenyl, or is generally known in the chemical trade as having a like formulation, structure, or function as polychlorinated biphenyl regardless of the name under which it is manufactured, sold or distributed.

"Property Damage" means :

- A. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- B. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the occurrence that caused it.

"Release" means discharge, dispersal, seepage, release or escape of "pollutants".