

# THE ANCHOR POLICY

## INSURING AGREEMENT

We agree to provide the insurance described in this policy in return for the payment of the full premium and subject to all the terms, conditions and exclusions in this policy. **Coverage** is provided where an amount of insurance is shown for that **coverage** on the **Declarations page**. The **Declarations page** forms part of this policy of insurance.

## DEFINITIONS

In this policy “you” and “your” refer to the Policy Holder shown on the **Declarations page** and the spouse if living in the same household. “We”, “us” and “our” refer to the Company providing this insurance. In addition, certain words and phrases printed in the policy are defined as follows:

1. “**insured**” - means:
  - a) you or a **household member**; or
  - b) a person operating **your insured vessel** with your express permission, but we do not include as an **insured**, a person employed by you as a master, skipper or crew or engaged by a marina, or the selling, repairing, servicing, storing, or moving of boats, including testing or delivery.
2. “**household member**” – means a person living in your household who is related to you by blood, marriage or adoption. This includes a ward or foster child, common law or separated spouse.
3. “**bodily injury**” – means bodily harm including loss of life resulting there from and occurring during the policy period.
4. “**property damage**” – means physical injury to, or destruction of, tangible property; including its loss of use and occurring during the policy period.
5. “**declarations page**” – means the information page of the policy relating to you and us and **your insured vessel** and also includes any endorsement to the policy after it has been issued.
6. “**your insured vessel**” – means the vessel described on the **Declarations page**.
7. “**tender**” – means a small boat used as a safety boat or as transportation to and from **your insured vessel**.
8. “**personal effects**” – means your clothing and possessions you carry on board and that are not used in the normal operation of **your insured vessel**.
9. “**newly acquired replacement watercraft**” – means a vessel the **insured** purchases to replace the vessel described in this policy.
10. “**private pleasure purposes**” – means recreational or leisure time activities. This DOES NOT include any direct or indirect business or commercial activities.
11. “**reasonable**” – means a fair and just price to pay for goods and/or services.
12. “**occupying**” – means in, upon, or getting in, on, out or off.
13. “**terrorism**” – means an ideologically motivated unlawful act or acts including but not limited to the use of violence or force or threat of violence or force committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.
14. “**fungi**” – means and includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any “**Fungi**” or “**Spores**” or resultant mycotoxins, allergens, or pathogens.
15. “**spores**” – means and includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any “**fungi**”.
16. “**covered**” or “**coverage**” – means **insured** by this policy, or insurance provided by this policy.

17. **“actual cash value”** – means the cost at the time of loss to repair or replace property less depreciation. In determining depreciation, we will consider, but are not limited to the age, condition, resale value, obsolescence and normal life expectancy of the property at the time of the loss.
18. **“intoxicating substances”** – means alcoholic beverages, illicit drugs or substances, prescription drugs or medication, or any other substance, or combination thereof, that may influence, impair or affect a persons:
  - a) coordination, reaction time or judgment; or
  - b) mobility, motor skills, or motor function; or
  - c) ability to operate a vessel; or
  - d) ability to safely operate a vessel.
19. **“Uninsured owner or operator “**- means a person identified as the owner or operator of a boat involved in an accident with our insured vessel and who is not insured by a liability policy of insurance providing **bodily injury coverage** to others at the time of the accident. **Uninsured owner or operator** does not include an **Insured**, a governmental authority, or governmental agency.
20. **“underinsured boater”** - means an identified owner or operator of a boat involved in an accident with our insured vessel, who is found liable by a Judgment of a Court of competent jurisdiction to pay **bodily injury** damage to an **insured** as a result of an accident caused by the **Underinsured boater’s** operation of a boat while an **insured** was **occupying your insured vessel** during the policy period. **Underinsured boater** does not include an **insured** or a governmental unit or governmental agency.

## SECTION I – COVERAGES

### COVERAGE A- VESSEL

You are insured against **“All Risks”** of Direct Physical Loss or Damage to **your insured vessel** from any external cause, subject to the exclusions and conditions of this policy within the policy period shown on the Declaration Page.

We insure your:

- 1) Vessel, Vessel’s Primary Machinery, and Vessel’s Auxiliary Equipment;
- 2) **Tender**, and/or: Auxiliary Outboard, if described on the **Declarations page**; and
- 3) Trailer, if described on the **Declarations page**;

We also insure:

**MITIGATION COSTS (SUE AND LABOUR).** We will pay all costs and expenses reasonably incurred in minimizing or averting a loss which would have formed a claim under this policy. No deductible will apply to these costs which will be paid in full up to the Amount of Insurance provided under Section A- Vessel. This clause does not grant You additional insurance over and above the Amount of Insurance provided under Section A – Vessel and is not to be construed as a separate insurance contract with You.

**NEWLY ACQUIRED REPLACEMENT WATERCRAFT.** This policy will provide **coverage** under Section I for a vessel, **tender**, or trailer, purchased by you to replace the similar item described in this policy. For this **coverage** to apply you must advise us of the full details of this replacement property within 15 days of the purchase date. During this period, this **coverage** will be limited to the lesser of:

- i) the purchase price paid,
- ii) the item’s actual cash value,
- iii) the **coverage** limit under Section I, **Coverage A**.

This **coverage** does not apply to vessels:

- a. capable of speeds in excess of 55 mph., or
- b. Personal Watercraft/jet skis, or
- c. Vessels over 15 years of age, or
- d. Vessels that are not of a similar type and size (within 25%) to those insured.

Vessel Liability Section II-**Coverage E** will also be extended to a newly acquired replacement watercraft, subject to the watercraft qualifying for **coverage** under Section I.

An additional premium may also be required.

**RECOVERY.** We will pay the reasonable cost incurred by you during the policy period for recovering your insured vessel in the event of sinking or stranding provided coverage is afforded for the cause of the loss. This clause does not grant You additional insurance over and above the Amount of Insurance provided under Section A – Vessel and is not to be construed as a separate insurance contract with You.

**TOWING.** We will pay up to \$500.00 for the following services to your vessel if voluntary help is not available and you need commercial assistance:

- a. towing to the nearest place where necessary repairs can be made;
- b. delivery of gas, oil or loaned battery and emergency labor while on water and while from safe harbor, but this won't include costs of these items or parts;

This **coverage** is subject to a \$50 deductible.

### **COVERAGE B – PERSONAL EFFECTS**

We cover direct and accidental loss during the policy period to your **personal effects** while these items are on board **your insured vessel** up to the amount of insurance stated on **Declarations** page. Personal adornments (eg. Jewelry, watches, eyeglasses) are subject to a limit of \$250. per item after the **deductible** has been applied.. No **coverage** is applicable to currency, traveler's cheques, securities, valuable papers, documents, or china, silver, antiques or collectibles and the like. Furthermore, this insurance is excess over any other valid and collectible insurance.

### **COVERAGE C – EXTRA EXPENSES**

Should a loss occur during the policy period to **your insured vessel**, we will pay your **reasonable** additional expenses incurred by reason of the loss, up to the amount of insurance stated on the **Declarations page** providing **coverage** is afforded for the cause of the loss.

### **SECTION I – DEDUCTIBLES**

We will apply to each loss or accident the deductible shown on the **Declarations page** for **Coverage A, B**. We will not apply a deductible when **your insured vessel** is deemed to be a total loss as described in Conditions Section I & II – Clause 17 e.

### **SECTION I - EXCLUSIONS**

We will not pay for loss expenses, mitigation costs, recovery costs, or damage caused:

1. by war, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.
2. by any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material.
3. directly or indirectly, in whole or in part, by "Terrorism" or by any activity or decision of a government agency or other entity to prevent respond or to terminate "Terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.
4. a) loss or damage consisting of or caused directly or indirectly, in whole or in part, by any "fungi" or "spores" unless such "fungi" or "spores" are directly caused by or directly result from a peril otherwise insured and not otherwise excluded by this policy;  
b) the cost or expense for any testing, monitoring, evaluating or assessing of "fungi", or "spores".
5. by or during the use of **your insured vessel** other than for **private pleasure purposes** unless we give you permission in writing.
6. by mechanical, electronic or electrical breakdown; wear, tear, marring, scratching, superficial denting; deterioration, mold, wet or dry rot, corrosion, weathering; electrolysis or galvanic action; blistering, delamination or osmosis; or lack of maintenance. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage. We cover damage due to a latent defect but not the cost to repair or replace the defective item.
7. by intentional or willful damage or theft of the insured vessel, caused by an **insured**.
8. while **your insured vessel** is being used in an official race or speed test, except sailboats. Such use shall be considered the cause of the damage.

9. during the use of **your insured vessel** to navigate river rapids.
10. by ice or freezing to **your insured vessel** or its equipment while it is laid-up and out of commission, but only when ice or freezing damage is as a result of a failure to properly winterize the vessel or its equipment.
11. during the use of **your insured vessel** when it is beyond the navigation area, shown on the **Declarations page**.
12. while you are living or staying on **your insured vessel** between December 1<sup>st</sup> and April 1<sup>st</sup> unless we give you permission to do so in writing. Such use shall be considered the cause of the damage.
13. while liquefied petroleum gas appliances are on board your vessel, other than a stove or water heater which do not have a pilot light.
14. while **your insured vessel** is being transported by land beyond a radius of 1000 kilometres of **your insured vessel's** home port.
15. during the use of **your insured vessel** for an illegal purpose. Such use shall be considered the cause of the damage.
16. while the **Insured** operates the vessel or permits any other person to operate the vessel while under the influence of an **intoxicating substance**. An operator shall be deemed to be under the influence of an intoxicating substance if the operator is convicted of the operation of a vessel:
  - i) when impaired; or
  - ii) with more than 80mg of alcohol in blood; or
  - iii) as a result of refusal to comply with a demand for a breath sample.

We will not pay under any circumstances the wages of a master, skipper or crew under any Section I Coverages.

#### **SECTION I - ARBITRATION.**

If we and an **insured** disagree when an **insured** is legally entitled to recover damages from this policy or do not agree as to the amount of damages, either party may make a written demand for arbitration. In this event, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction, and bear the expenses of the third arbitrator equally. Unless both parties agree otherwise, arbitration will take place in the country and province in which the **insured** lives. Local rules of Law as to procedures and evidence will apply. A decision agreed by two of the arbitrators will be binding. We will pay you within 30 days from the date an arbitration award is filed with us.

## **SECTION II – LIABILITY COVERAGES**

#### **COVERAGE E – VESSEL LIABILITY**

We will pay compensatory damages for **bodily injury** or **property damage** to others for which an **insured** is legally liable because of an accident or loss arising out of the ownership, maintenance or use of **your insured Vessel**, during the policy period.

#### **DEFENSE COSTS**

We will provide a defense at our expense against any suit seeking **covered** damages for **Bodily injury** or **Property damage**. We will provide this defense with counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate, negotiate, and settle any claim or suit at our discretion. We can also control the defense and we will have the right to settle a claim or suit if we think that is best. Our obligation to settle or defend ends when the amount we pay for damages, interest, investigation and defense costs equals the amount of Insurance as shown in **Coverage E** on the **Declarations page**. You are required to co-operate with and assist us in the defence of any claim.

If an **insured** refuses to consent to any settlement recommended by us, and elects to contest or continue legal proceedings in connection with a claim, the amount payable by us under this policy shall not exceed the amount for which the claim could have been settled, plus costs and expenses incurred up to the date of the Insured's refusal, subject to the deductible and the Amount of Insurance shown on the **Declarations**

page as **Coverage E: Vessel Liability**. If an **insured** refuses to co-operate and assist us in the defence of any suit, our obligation to defend and indemnify shall terminate immediately.

#### **WRECK REMOVAL**

Also we will pay the cost of removing and/or disposing of the wreck of **your insured vessel** when required by law but only if the claim is made within one year of the date of the accident, subject to the Vessel Liability Limit **Coverage E**, as shown on the **Declarations Page**.

#### **VESSEL LIABILITY CLAIM EXPENSES**

We will pay the following which are part of and included in the Amount of Insurance shown as **Coverage E** on the **Declarations page**:

- a. Premiums on bonds required in a suit defended by us, but not for bond amounts greater than the amount of insurance for **Coverage E**. We are not obligated to apply for or furnish any bond.
- b. Interest on the entire judgment, which accrues after entry of the judgment and before payment, or deposit in court, that part of the judgment, which does not exceed the Amount of Insurance that applies.
- c. Up to \$50 a day for loss of your earnings, but not other income, because of attendance at hearings or trials at our request.

Other **reasonable** expenses you incur at our request.

#### **COVERAGE F – MEDICAL PAYMENTS**

We will pay each person's necessary medical expenses incurred within one year from the date of a boat accident which caused **bodily injury** to a person but only if that person was **occupying your insured vessel**. Medical expenses means **reasonable** charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral costs up to, the amount of insurance shown under **Coverage F** on the **Declarations page**.

#### **COVERAGE G – UNINSURED BOATERS**

We pay **bodily injury** damages sustained by an **insured** during the policy period for which the **insured** is legally entitled to recover from an **Uninsured owner or operator** of a boat providing the **insured** was injured when **occupying your insured vessel** and the **bodily injury** is caused by an accident. We do not provide Uninsured Boater **coverage** if:

1. the **insured** is entitled to recover under any other policy of insurance;
2. if any person or legal representative settles a claim without our express written consent;
3. **coverage** will be limited in accordance with the Marine Liabilities Act.

#### **COVERAGE H–EXCESS UNDERINSURED BOATERS**

“**Underinsured Boater**” means an identified owner or operator of a boat who is found liable by a Judgement of a Court of competent jurisdiction to pay bodily injury damage to an **insured** as a result of an accident caused by the **Underinsured Boater's** operation of a boat while an **insured** was occupying your **insured vessel** during the policy period.

The **coverage** we give you in this section only pays bodily damage sustained by an **insured** during the Policy period while the **insured** is **occupying your insured vessel** and the **Bodily injury** is caused by an **Underinsured boater's** as defined above. We only pay in excess of the amount paid to an **insured** by the Underinsured Boater's Liability insurance company and this excess payment by us is subject to the amount of insurance shown under **Coverage E** on the Declarations Page which is a combined Single Limit for **Coverages E, G, and H**. We do not provide **Underinsured boater coverage** if:

1. the **insured** is entitled to recover under any other policy of insurance;
2. if any person or legal representative settles a claim without our express written consent;
3. **coverage** will be limited in accordance with the Marine Liabilities Act.

#### **COVERAGE I – U.S.A. Federal Longshoreman's and Harbour Worker's Compensation**

If **coverage** is provided under Vessel Liability – Section E as shown on the Policy Declaration Page, we will cover any compensation payments the **insured** is responsible for under the Federal Longshoreman's and Harbour Worker's Compensation Act of the United States, provided the **insured's** responsibility arises

from the use of the insured vessel. Our liability under this section shall not exceed in total the limit provided under the Vessel Liability – Section E. This is subject to a combined Single Limit for **Coverages E, G, H and I**.

## SECTION II – EXCLUSIONS

The insurance in this policy does not cover claims for “**bodily injury**“, or “**property damage**“:

- a. caused directly or indirectly by war, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military purpose and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed warlike act even if accidental.
- b. caused by any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material.
- c. arising directly or indirectly, in whole or in part, out of “**terrorism**” or out of any activity or decision of a government agency or other entity to prevent, respond or to terminate “**terrorism**”. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the “**bodily injury**”, “**property damage**”.
- d. arising during the use or occupation of **your insured vessel** other than for **private pleasure purposes**, unless we give you permission in writing.
- e. arising out of the ownership, maintenance or during the use of **your insured vessel**, other than a sailboat, in an official race or speed test.
- f. arising during the use of **your insured vessel** for parasailing.
- g. arising during the use of **your insured vessel** to navigate river rapids.
- h. arising out of any loss or accident while **your insured vessel** is being moved on land by any means.
- i. by or to a person using or **occupying your insured vessel** without your express consent.
- j. by or to a person while **occupying**, or injured by, a boat owned by you or a **household member** which is not **insured** for the **coverage** in this policy.
- k. which is intentionally caused by an **insured**.
- l. sustained by a person to or for whom benefits are available from a Provincial or Federal workers' compensation legislation.
- m. to property owned by the **insured** or rented to, used by or in the care, custody or control of the **insured**.
- n. arising out of liability for the ownership, maintenance or use of a boat, other than **your insured vessel**, or while **occupying** a boat other than **your insured vessel**, except as provided under **Section I – Included Coverages, Item 2, Newly Acquired Replacement Watercraft**.
- o. arising out of liability assumed by an **insured** in a written or oral contract or agreement, except as reasonably required by marinas, yacht clubs or similar organizations and in accordance with trade usage.
- p. by, or to, or caused by, a paid master, skipper or crew.
- q. by or to a person who is an employee of an **insured** other than domestic employees, in the course of employment by the **insured**.
- r. arising out of any liability whatsoever, if the person operating or **occupying**, working or using **your insured vessel** is employed or engaged in the business of a marina, or the selling, repairing, servicing, storing, or moving of boats, including testing and delivery. This exclusion does not apply to the ownership, maintenance or use of **your insured vessel** by you, or a **household member**.
- s. any award or part of an award made by a court having competent jurisdiction which is expressed or intended to be punitive, exemplary, deterrent, vindictive, retributory or penal in nature.
- t. if an **Insured** or an Insured's legal representative settles any claim whether brought by an **insured** or against an **insured** howsoever caused without our written consent.
- u. This insurance shall not apply to:
  - i. “**bodily injury**”, “**property damage**”, “**personal injury**” or Medical Payments or any other cost, loss or expense incurred by others, arising directly or indirectly, from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any “**fungi**” or “**spores**” however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of “**fungi**” or “**spores**”: or

- ii. any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with a. above; or
- iii. any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in i. or ii. above.

This exclusion applies regardless of the cause of the loss or damage, other causes of the injury, damage, expense or costs or whether other causes acted concurrently or in any sequence to produce the injury, damage, expenses or costs.

- v. to an **insured** howsoever caused.

We will not be liable for nor will we pay for:

- 1. any fines or penalties imposed on an **insured** for any reason whatsoever.
- 2. any environmental contamination howsoever caused by an **insured** or **your insured vessel** unless caused by an accident for which **coverage** is afforded in this policy and is sudden and accidental in nature.

## CONDITIONS - SECTION I AND SECTION II

**The following conditions apply to sections I and II of the policy:**

1. **Policy Period.** This policy applies to loss, damage, or **bodily injury** as a result of an accident or loss which occurs during the policy period shown on the **Declarations page**.
2. **Policy Territory. Coverage** is afforded for the navigational area shown on the **Declarations page** and on land within Canada and the Continental United States. We do not cover **your insured vessel** while shipped on water, or in the air, or while shipped on land in excess of 1000 kilometers from **your insured vessel's** home port.
3. **Warranties**  
The following absolute warranties apply to this insurance. If any of the above absolute warranties in this section have been breached, coverage will cease immediately and cannot be reinstated once the violation ends. You will have no coverage from the date of the breach.
  - (1) **Lay-Up Warranty.** During the designated lay-up period, as shown on the **Declarations page, your insured vessel and tender:**
    - a. Must be in a safe berth for storage ashore or afloat.
    - b. Must not be ready for immediate use.
    - c. Must not be navigated
    - d. Must not be used for living on board.
    - e. All portable electronics, **personal effects**, and auxiliary outboard engines must be removed from **your insured vessel** and safely stored. **Coverage** for those items is limited to a maximum of twenty percent (20%) of the total insured value of **your insured vessel**.
  - (2) **Private Pleasure Purpose.** **Your insured vessel** shall only be used for **private pleasure purposes**.
  - (3) **Operator Competency Warranty.** **Your insured vessel** shall only be operated by individuals who are qualified, competent and licensed to do so under federal, provincial or municipal legislation or by-laws including the Operators of Pleasure Craft Regulations or similar legislation.
4. **Cancellation.**
  - a. You may cancel this policy at any time by returning it to us or by notifying us in writing of the date cancellation is to take effect. But if we have made payment for a loss, or promise of payment to pay a loss, the full premium will be deemed to have been earned.
  - b. We may cancel this policy by notifying you in writing at least 10 days before the date cancellation is to take effect. This cancellation notice may be delivered to you or mailed to you at your mailing address shown on the Declaration Page. Proof of mailing shall be sufficient proof of notice.
  - c. If this policy is cancelled by you, any premium refund will be based on the company's marine short rate rules and subject to any minimum retained premium. If this policy is cancelled by us, any premium refund will be based on the company's marine pro-rata rules and subject to any minimum retained premium.

5. **Trailer and Vessel Warranty:** The trailer and vessel combination must be securely locked and chained to an immovable object when detached from the tow vehicle. The vessel trailer is not an immovable object. Non-compliance with this warrant will void theft **coverage** of the vessel, trailer and equipment. This warranty applies whether or not the trailer is **covered** under this policy. Items referred to in this warranty, that are locked up inside a building, satisfy the intent of this warranty.
6. **Insurable Interest.** Even if more than one person has an insurable interest in **your insured vessel, tender** or boat trailer, we shall not be liable to you for an amount greater than your interest.
7. **Concealment, Misrepresentation or Fraud.** This policy will be void from inception;
  - a. in case of fraud by You relating to this policy or
  - b. if at any time, You conceal or misrepresent a material fact concerning:
    - i. the insurance, prior insurance, prior losses, prior claims, prior occurrences that could give rise to a loss;
    - ii. the property insured;
    - iii. Your interest in the property insured; or
    - iv. previous, current and future use of the vessel.
8. **Changes.** This policy contains all the agreements between you and us. The terms of this policy may not be changed or waived except by us in writing. If a change requires a premium adjustment to be paid by you we will adjust the premium as of the effective date of the change.
9. **Liberalization Clause.** If we adopt a revision to our Anchor Policy that would broaden the **coverage** in this policy without additional premium, the broadened **coverage** immediately applies to this policy but for the remainder of the policy period only.
10. **Transfer of Your Interest in this Policy.** Your rights and duties and obligations in this policy may not be assigned without our written consent.
11. **Your Death.** In the case of your death, we cover as if **insured** as a Policy Holder
  - a. your spouse, if living in the same household at the time of death;
  - b. your legal representative, however this applies only to the representative's legal responsibility for the maintenance of **your insured vessel**.
12. **Our Right to Recover Payment.**
  - a. If we make a payment or promise of payment in this policy and the person to or for whom payment or promise of payment was made has or may have, a right to recover damages from another, we shall be subrogated to that right to recover or seek contribution or indemnity from another. That person shall do whatever is necessary to enable us to exercise our rights and shall do nothing after loss to prejudice them.
  - b. If we make a payment or promise of payment, the person to or for whom payment or promise of payment is made recovers damages from another, that person shall hold in trust for us the proceeds of the recovery and shall reimburse us to the extent of our payment.
  - c. We have the right to any salvage value resulting from a loss or damage for which we have made payment.
13. **Other Insurance.** This insurance is excess over any other valid and collectible insurance, except insurance written specifically to cover an excess over the amount of insurance in this policy.
14. **Your Duties After a Loss and or accident.** In case of a loss and/or accident to which this insurance may apply, you must comply with the following requirements:
  - a. give immediate notice to us. Give prompt notice to the Police, Coast Guard or suitable authority if theft, fire, collision or injury is involved. Notice must also include the names and addresses of all claimants and witnesses.
  - b. give us adequate time to inspect and appraise the damage before undertaking repairs. If you elect to authorize repairs and expenses before we see the damage, the loss will be adjusted as described in the loss settlement clause of these Conditions.
  - c. protect **your insured vessel, tender** or boat trailer from further damage, make **reasonable** and necessary repairs required to protect **your insured vessel, tender** or boat trailers and keep a record of all costs.
  - d. prepare a list of damage to **your insured vessel, tender** or boat trailer showing in detail the quantity, description, value amount and loss. Attach to the list all bills, receipts and related documents that substantiate the figures in the list. Submit to us at the earliest opportunity and without delay, your signed statement of loss and back up documentation including the time and cause of loss



- e. you will submit to examination under oath if we so request.
  - f. forward to us each notice, demand, summons or other process relating to the accident.
  - g. at our request, assist and cooperate in our investigation, settlement or defense or a claim or suit or enforcement of any right of contribution or indemnity you have or may have against any person.
  - h. authorize us to obtain medical reports and records.
  - i. submit to physical examinations by a physician chosen by us when and as often as we require.
  - j. with respects to **Section II – Liability Coverages**, not make any payment, assume any obligation or incur any expense without our consent.
- 15. Loss Payment.** We adjust all losses with you. We pay you unless another person is named in this policy to receive payment. Payment for loss will be made within 30 days after we reach agreement with you or entry of a final judgment against us in a court of competent jurisdiction, (after any appeal process)
- 16. Abandonment of Property.** We do not need to accept, nor are we liable for any property abandoned by you.
- 17. No Benefit to Bailee.** We do not recognize an assignment or grant any **coverage** for the benefit of a person or organization holding, storing or transporting **your insured vessel** for a fee regardless of all other terms in this policy.
- 18. Loss Settlement.**
- a. We will settle **Coverage A** losses, at replacement cost at the time of loss less the applicable deductible. Our payment will not exceed the lesser of the following:
    - i. the cost of repair or replacement when they have been completed with similar parts or material or in accordance with the customary and generally accepted repair practices. However, if you make the repairs, we will pay the **reasonable** costs of repair or replacement for a partial loss. We won't apply depreciation to such costs, except for the repair or replacement of the following:
      - protective covers, fabrics, and sails
      - outdrive units, outboard motors, internal machinery, and gel coat beginning with the fifteenth year of manufacture.

If plywood, plastic, fiberglass, metal, cement or other molded material is damaged, we will pay only the **reasonable** cost of repairs or suitable patches to the damaged area. These repairs will be made in accordance with quality marine repair practice. We will have the option to make repairs and replacements or pay you directly based on an agreed estimate of loss. Replacements will be made with like kind and quality.

In no event will we pay for any previous unrepaired damage.

We have the option to replace your vessel with a vessel of like kind and quality (similar model, year, make) or better instead of repairing your vessel. In the event we choose to replace **your insured vessel** we will be entitled at our option to keep or dispose of your damaged vessel.
    - ii. the amount actually and necessarily spent to repair or replace the damaged property. If you do not make repairs for a partial loss, we will pay the **reasonable** costs of replacement for a partial loss, less depreciation.
  - b. We will settle **Coverage B** or **D** losses at actual cash value at the time of the loss less the applicable deductible but not exceeding the amount necessary to repair or replace.
  - c. We will not pay more than the Amount of Insurance shown on the Declaration Page under **Coverages A, B, C, or D**.
  - d. We will not pay for unrepaired damage after a total loss occurs.
  - e. We will have the option to declare **your insured vessel** a total loss when the cost of the repairs and value of the salvage, the cost of the recovery of the salvage, equal or exceed 80% the limit of insurance under Section I, **coverage A**. In the event we choose to exercise this option on **your insured vessel** we will be entitled at our option to keep or dispose of your damaged vessel.
- 19. Amount of Insurance – Combined Single Limit – Coverages E, G, H, and I.** The amount of insurance shown in the **Declarations page** under **Coverage E** is a **Combined Single Limit** for **Coverages E, G, H, and I** and is the most we will pay under **Coverages E, G, H, and I** regardless of the number of claims, suits or proceedings made or brought under **Coverages E, G, H, and I** or the number of claimants or the number of **Insured's** or vessels or premiums shown on the **Declarations page**. The payment of a claim under **Coverages E, G, H, and I** shall reduce by the same amount paid the **Combined Single Limit** of insurance available for **coverage** for other claims under **Coverages E,**

**G, H, and I.**

Nothing in this policy shall operate to increase the amount of insurance available and payable by us under **Coverages E, G, H, and I, beyond the combined Single Limit** of amount of insurance shown on the **Declarations page under Coverage E.**

Our obligation to pay these **coverages** shall be reduced in the same amount as those sums available under any private compensation agreement, or, under any municipal, provincial or federal compensation law or act. Our obligation to pay is also reduced by the same amount paid by any person legally responsible to any **Insured.**

- 20. Payment of Claim—Coverage F – Medical Payment.** Payment for this **coverage** is not an admission of liability by an **Insured** or us.
- 21. Transfer of Interest in Vessel:** If You sell, transfer, mortgage, pledge, lease, consign, charter or hire out the Vessel (or a part or share of it), coverage will cease immediately and cannot be reinstated unless such change is accepted by us in writing.
- 22. Continuation Clause.** Should **your insured vessel** at the expiry date of this policy be away from her home port and be in distress and because of the distress you are prevented from notifying us or our agent renewal instructions of this policy, we will continue this policy providing you pay the renewal premium required by us and providing you give us notice at your earliest opportunity and without delay.
- 23. Legal Action Against Us.** No legal action, by the **insured**, may be brought against us until there has been full compliance with all terms and conditions of this policy.
- 24. Time Limit to Sue.** Every action or proceeding against us for the recovery of a claim where **coverage** is afforded under or by virtue of this policy is absolutely barred unless you commence it within one year next after the damage or injury occurs with respect to **SECTION I coverages** and **SECTION II coverage** for **UNINSURED BOATERS** or within one year next after final judgement is obtained by the **insured** against another with respect to **SECTION II, EXCESS UNDERINSURED BOATERS.**
- 25.** This policy is governed by Canadian maritime law and is subject to the Marine Insurance Act S.C. 1993, c.22 as amended.

In Witness Whereof, we have caused this policy to be executed and attested, but this policy shall not be valid unless countersigned by our authorized representative.

  
Chief Agent

## Insurance Navigation Territories

It is a condition of coverage that the insured vessel remains in the navigation territory detailed in the policy declaration page. The description of the navigation territories follows:

**IW: Canadian Inland Waters Excluding The Great Lakes:**

The inland lakes and rivers of Canada, excluding the Great Lakes. The Fraser River must **not** be navigated East of the mouth of the Sumas River.

**GL: The Great Lakes & Tributaries:**

The Great Lakes and their tributaries West of Quebec City, North of Albany, New York State. Inland waters of Ontario.

**EC1: Canadian East Coast-Atlantic Excluding Newfoundland:**

Eastern Canadian and U.S. Territorial Waters not North of 52 degrees latitude North, not South of Eastport Maine, not more than 100 miles offshore, EXCLUDING Newfoundland. Inland waters of Quebec and the Maritime Provinces included. Navigation is not permitted between December 1 – April 1

**EC2: Canadian East Coast-Atlantic:**

Eastern Canadian and U.S. Territorial Waters not North of 52 degrees latitude North, not South of Eastport Maine, not more than 100 miles offshore. Inland waters of Quebec and the Maritime Provinces included. Navigation is not permitted between December 01 – April 01, with the exception of Newfoundland where navigation is not permitted between November 01 – May 01.

**Canadian West Coast-Pacific :**

**BC1: British Columbia Trading Warranty No. 1**

The coastal waters of British Columbia and North West Washington, **not** outside of the lines drawn between the following points and/or places:

- Cape Flattery and Owen Point
- Cape Sutil and Mexicana Point
- Cape James and Allison Harbour

Warranted **not** to navigate the coastal waters and inlets of the West Coast of Vancouver Island between Owen Point and Cape Sutil.

Warranted **not** to navigate the Fraser River east of the mouth of the Sumas River.

**BC2: British Columbia Trading Warranty No. 2**

The coastal waters of British Columbia, Puget Sound and adjacent waters, and the Straits of Juan de Fuca, with permission to also navigate in the Portland Canal but warranted not to navigate:

- a) Outside (west) of a line drawn between Cape Flattery and Owen Point
- b) Outside (west) of a line drawn from Cape Sutil to McInnes Island to Man Island to Larsen Harbour(Banks Island) to Edith Harbour(Dundas Island) to Trec Point(Wales Island).

Warranted **not** to navigate the Fraser River east of the mouth of the Sumas River.

**BC2A: British Columbia Trading Warranty No.2A**

The coastal waters of mainland British Columbia and the North and West Coast of Vancouver Island, including Puget Sound and adjacent waters, the Juan de Fuca Strait, and the Portland Canal. At **no** time to proceed more than 20 nautical miles offshore.

Warranted **not** to navigate the Fraser River east of the mouth of the Sumas River.

**BC3: British Columbia Trading Warranty No. 3**

The Coastal waters of British Columbia including the W48 degrees N, 128 degrees W. West Coast of Vancouver Island and the West Coast of the Queen Charlotte Islands, Puget Sound and adjacent waters, Juan de Fuca Strait and Southeastern Alaska. Warranted **not** to navigate:

- a) Outside(west) of a line drawn from 48 degrees N., 128 degrees W.
  - to 53 degrees N., 134 degrees W.
  - to 58 degrees N., 137 degrees W.
  - to Cape Spencer
- b) On the Coast of Washington south of 48 degrees N.
- c) The Fraser River east of the mouth of the Sumas River.

**BC4: British Columbia Trading Warranty No. 4**

The navigable inland waters of British Columbia and Alberta with permission to occasionally operate the navigable inland waters of the States of Washington, Idaho, and Montana. Warranted **not** to navigate the Fraser River east of the mouth of the Sumas River.

**US1: U.S. East Coast-Atlantic:**

The Atlantic Coastwise waters, Intracoastal waters and Inland waters between New York Harbour and Key West, Florida. Further permission is granted to navigate the Inland and Coastal waters of Florida including the "Gulf Coast" not beyond Cedar Keys. Navigation is **not** permitted North of Moorhead City, North Carolina between October 31st. and April 1st. The Hudson River and Erie Canal are included in this navigation territory.