

WATERCRAFT, MOTOR, BOAT TRAILER AND MISCELLANEOUS EQUIPMENT COVERAGE FORM

Attached to and forming part of this Policy

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN THIS FORM AND THE POLICY TO WHICH THIS FORM IS ATTACHED.

DEFINITIONS

“Personal Property” includes uninsured clothing, personal effects belonging to the named insured and family members while aboard the watercraft or being loaded or unloaded from the watercraft.

“Tender” means any watercraft or dinghy used to transport passengers to and from the watercraft when it is anchored offshore or in conjunction with the main watercraft.

“Territorial” means anywhere in Canada or in the United States of America.

COVERAGES

Watercraft

“We” agree to insure against direct physical loss or damage to watercraft, motors, boat trailers and miscellaneous equipment as described in this Form, subject to the limits, exclusions and conditions of this Policy. Coverage is limited to the limits of insurance as shown on the “Declaration Page”.

Tenders

“We” agree to insure against direct physical loss or damage to “Tenders”, while being carried on board or being towed by the insured watercraft or used in conjunction with the watercraft, subject to the limits, exclusions and conditions of this Policy. Coverage is limited to the limits of insurance as shown on the “Declaration Page”.

Equipment

We” agree to insure against direct physical loss or damage while on board or being carried on board the watercraft or used in conjunction with the watercraft:

- (1) Equipment not permanently attached to the boat, motor or trailer up to a limit of \$2,500 or to the limit as shown on the “Declaration Page”.
- (2) Uninsured fishing equipment up to a limit of \$500.

Where other coverage is in effect, the coverage available in this Form or available in this Policy becomes excess.

For watercraft up to five (5) years old, “We” will pay up to the full cost of repairing or replacing “Your” boating equipment (whichever is less), but not more than the amount of insurance shown on the “Declaration Page”. “We” have the right to replace any lost or damaged item with one of equal quality and value in case of loss or destruction. For watercraft over five (5) years old, “We” will pay the Actual Cash Value of the loss or damage but not more than the amount of insurance shown on the “Declaration Page”.

Newly Acquired Equipment

If “You” acquire any new or additional watercraft, motors, boat trailers or miscellaneous equipment while this coverage is in effect, “We” will automatically insure it provided “You” tell us within thirty (30) days of acquisition. “We” will adjust “Your” premium on a pro rata basis from the date of the acquisition. “We” will not pay more than \$5,000 for the loss or damage of any equipment “You” acquire. Any loss or damage shall not reduce the amounts of insurance provided by this coverage. If, following payment of a claim, “You” acquire any articles to replace those which were lost or damaged, “You” must tell “Us” within thirty (30) days of acquisition.

Personal Property

“We” agree to insure uninsured “Personal Property” up to a limit of \$2,500 or to the limit as shown on the “Declaration Page” against direct physical loss or damage while on board or being carried on board the watercraft or used in conjunction with the watercraft. “We” do not insure currency, securities, letters of credit, tickets, passports or any other documents.

Where other coverage for “Personal Property” is in effect, the coverage available in this Policy becomes excess.

Emergency Towing

“We” will pay a maximum limit of \$500 per occurrence toward the cost of towing the insured watercraft to the nearest service facility, irrespective of the cause of breakdown and is subject to the presentation of the receipted bills and acceptable evidence of loss.

Territorial Limits

“Your” property is covered anywhere in the “Territorial” limits.

INSURED PERILS

"You" are insured against all risks of direct physical loss or damage, subject to the exclusions and conditions in this Policy.

LOSS OR DAMAGE NOT INSURED

"We" do not insure any watercraft, motors, boat trailers or equipment:

- (1) illegally acquired, kept, stored or transported, or any property subject to forfeiture;
- (2) if the property is lawfully seized or confiscated unless the property is destroyed to prevent the spread of fire;
- (3) used for carrying people or property for compensation or which is chartered, leased or used for any commercial purpose;
- (4) which is used in any illegal trade or transportation or while being operated in any official race or speed test; or
- (5) used outside the "Territorial" limits.

"We" do not insure loss or damage caused by or resulting from:

- (6) wear and tear, gradual deterioration (including damage by marine life), corrosion, inherent vice, mechanical defects or breakdown, scratching, denting, chipping, electrolysis, rust, corrosion, dampness or dryness of atmosphere or weathering;
- (7) birds, vermin, rodents or insects;
- (8) any process of refinishing, renovating, repairing, servicing or maintenance, but if a fire or explosion results, "We" will pay for the loss or damage due to such fire or explosion;
- (9) ice, freezing or extremes of temperature (unless loss or damage to engine/motor is caused by internal blockage of the cooling water passages by zebra mussels);
- (10) infidelity of others who borrow or use the property insured;
- (11) any intentional or criminal act or failure to act by:
 - (a) any person insured by this Policy; or
 - (b) any other person at the direction of any person insured by this Policy.

BASIS OF CLAIM PAYMENT

When coverage applies, "We" will pay all necessary and reasonable costs to repair the insured property for loss or damage covered by this Form, but not exceeding the applicable amount(s) of insurance of any loss or damage arising out of one occurrence.

"Our" liability in the event of a loss will be the least of the following:

- (1) Actual Cash Value of the property at the time of loss, destruction or damage;
- (2) the interest of the insured in the property; or
- (3) the applicable limit of insurance as shown on the "Declaration Page" for each item.

Deductible

In any one occurrence, "We" are responsible only for the amount by which the loss or damage caused by any of the insured perils exceeds the amount of the deductible shown on the "Declaration Page". However, the deductible will not apply if there is a total loss to "Your" watercraft, motor or trailer.

WARRANTIES

This section contains warranties that apply to all coverages.

The breach of any warranty contained in the form, will void the Policy and discharge "Us" from all liability under this Policy regardless of whether or not the breach is material to the loss.

- (1) **Pleasure Watercraft Warranty**
"Your" watercraft must be used only for private pleasure purposes.
- (2) **Lay-Up Warranty**
"You" warrant that the insured watercraft will be laid-up ashore from November 1st to April 1st, unless otherwise stated on the "Declaration Page".
- (3) **Propane Appliances Warranty**
Warranted that no propane refrigerator, propane heater or propane furnace, propane stove and propane water heater with a pilot light is, or will be, installed on board the insured watercraft.
- (4) **Qualified Operators Warranty**
It is hereby warranted and agreed that all operators must be in compliance with all government regulations and licensing requirements.

All exclusions, terms, provisions and conditions of this Policy apply.