



AXIS Reinsurance Company
New York, NY 10022

**ATTACH DECLARATIONS PAGE
AND ENDORSEMENTS HERE**

**THIS IS NOT A COMPLETE AND VALID
POLICY WITHOUT AN ACCOMPANYING
DECLARATIONS PAGE**

PERSONAL WATERCRAFT POLICY

Part A: General Provisions

1. **AGREEMENT:** This is a legal contract between you and us. We will provide the insurance coverage described in this policy in return for the premium and compliance by all covered persons with all applicable provisions of this policy.
2. **DEFINITIONS:** Throughout this policy, "you" and "your" refer to the "named insured" shown in the Declarations Page, and "we", "us", and "our" refer to the company providing this insurance. In addition, certain words and phrases are defined as follows:
 - a. "Your insured property" is defined as:
 1. the Personal Watercraft shown on the Declarations Page, including machinery and equipment permanently attached to the Personal Watercraft, and any equipment necessary for the operation or maintenance of the insured property, which is detached or detachable. It does not include any decorations, painting or equipment that was not originally provided by the manufacturer as standard equipment.
 2. the Personal Watercraft trailer used solely for the purpose of transporting the insured property.
 3. any Personal Watercraft, or Personal Watercraft trailer which you acquire ownership of during the policy period, provided you notify us within 15 days of the acquisition and pay any additional premium required, we will pay no more than its cost to you, or its actual cash value, whichever is less.
 - b. "Covered person" is defined as you, or any person, or legal entity operating your Personal Watercraft shown on the Declarations Page for private pleasure use.
 - c. "Lay-up period" means the time when your Personal Watercraft shall be laid up and out of commission on shore for the period stated on the Declarations Page.
 - d. "Uninsured boater" and "uninsured owner or operator" means an owner or operator of a vessel, other than the Personal Watercraft named in this policy, who cannot be identified or to whom no liability policy applies, for example a hit-and-run operator.
- e. "Tropical Depressions, Tropical Storms and Hurricanes" are defined as those so designated by the National Weather Service or the National Hurricane Center.
3. **POLICY PERIOD:** This policy applies only to accidents or losses which occur during the policy period, as shown on the Declarations Page.
4. **NAVIGATIONAL LIMITS:** Coverage is provided while on land or afloat within the Navigational Limits shown on the Declarations Page.
5. **POLICY PREMIUM AND RENEWAL:** The premium shown on the Declarations Page is the initial premium for this policy. If we agree to renew or continue the policy, then at the time of each renewal or continuation or on the policy anniversary date, the premium for the renewal or continuation will be computed by us according to our premium rules, forms and guidelines then in use. At the time of any renewal a renewal Declarations Page will be added to the policy and current editions of forms will be added at the time of renewal in the place of earlier editions if added or deleted during the prior policy term. If we decide not to renew, we will notify you by mail or in person at least forty-five (45) days before the end of the current policy period. We will notify you at the last address shown in our records.
6. **CHANGES IN POLICY:** This policy contains all of the agreements between you and us. Its terms may not be changed or waived except by endorsement issued by us. If a change requires a premium adjustment, we will adjust the premium as of the effective date of the policy change.
7. **BROADENING COVERAGE:** If, during the policy period, we make any revision to this policy that broadens the coverage without additional premium, the broadened coverage will apply as of the effective date of such revision.
8. **OPERATING OTHER PERSONAL WATERCRAFT:** We will provide coverage if you are operating another Personal Watercraft with the permission of its owner. This coverage will be subject to all the terms and conditions of this policy and, except as otherwise provided in this paragraph 8, will be the same as that applicable to Personal Watercraft

that is your insured property. If there is a covered property loss, we will pay the actual cash value at the time of loss for the applicable property. If there is any other insurance against a loss covered by this provision, we will provide coverage only as excess over such other insurance. We do not provide coverage while you operate any other Personal Watercraft if:

- a. it is owned wholly or in part by you;
- b. it is rented or under charter to you or being used for purposes other than private pleasure use;
- c. it is furnished for your regular use;
- d. you are not shown on the Declarations Page as an individual person; or
- e. it is over 13 feet in length.

9. CONFORMITY TO STATE LAW: When a provision of this policy is in conflict with the applicable law of the state in which this policy is issued, the law of the state shall apply.

10. CANCELLING THE POLICY: You may cancel this policy by returning it to us or our authorized agent or by advising us or our authorized agent in writing stating the future date you want it to be cancelled. We may cancel this policy by mailing notice to you at your last address shown on our records. If the reason for cancellation is for nonpayment of premium, we will give you at least fifteen (15) days notice. If we cancel for any other reason we will give you at least forty-five (45) days notice. The date of the cancellation stated in the notice shall become the end of the policy period. We will also provide the same notice to each loss payee and additional insured that is listed in your policy.

11. RETURN PREMIUMS: If this policy is cancelled, you will be entitled to a premium refund in accordance with the following provisions unless we have paid for a total loss or constructive total loss of the vessel insured under this policy, in which case no refund of premium will be due. In order to calculate the amount of any premium refund to which you may be entitled, we will first add back to the annual premium any advance discount that you were given for a lay-up period. If we cancel the policy, you will be entitled to a return premium in an amount equal to the product obtained by multiplying the stated premium for the policy year by a factor the numerator of which is the number of consecutive days elapsed from the first day of the policy year until the date as of which we cancel the policy and the denominator of which is 365; provided, however, that the return

premium shall be reduced to the extent necessary to ensure that we retain an amount at least equal to the minimum earned premium shown on the Declarations Page. If you cancel the policy, you will be entitled to a return premium in an amount equal to 90% of the premium that would have been due if we cancelled the policy (as described above) provided, however, that the return premium shall be reduced to the extent necessary to ensure that we retain an amount at least equal to the minimum earned premium shown on the Declarations Page. Any return premium will be paid to you as soon as possible after the cancellation.

Part B: General Limitations And Exclusions

1. PRIVATE PLEASURE USE ONLY: We do not provide any coverage while your insured property is used for charter, hire to carry persons or property for a fee, or for any other commercial use unless prior written consent has been obtained from us. We will provide coverage while you are attempting to aid other boats in distress, provided you do not charge a fee for your services.

2. LIMITATION OF COVERAGE: Unless prior written consent has been obtained from us, we **do not provide** any coverage for loss, damage or expense while your insured property is:

- a. used to tow a parachute (for example, a parasail) or to tow with an elasticized tow rope (for example, a bungee tow line);
- b. in the water during the lay-up period, if one is shown on the Declarations Page;
- c. used between 1/2 hour after sunset and 1/2 hour before sunrise unless the watercraft has navigation lights that were installed by the manufacturer as original equipment;
- d. outfitted with any modifications designed to enhance the performance beyond the manufacturer's specifications;
- e. used in salt water, unless salt water use is indicated on the Declarations Page; or
- f. used where prohibited by law.

3. TRANSFER OF INTEREST: All coverage provided by us will terminate upon the sale, assignment, transfer or pledge of the insured property or of this contract unless prior written consent has been obtained from us.

4. CONCEALMENT, MISREPRESENTATION OR FRAUD: All coverage provided by us will be voided from the beginning of the policy period if you intentionally conceal or misrepresent any material fact or circumstance relating to this contract of insurance, or the application for such insurance, whether before or after a loss.

5. DISHONESTY OR ILLEGAL ACTS: We do not pay for loss or damage caused by the dishonest or illegal act of any covered person, any person, organization or legal entity to whom your property is entrusted, or their employees or representatives.

6. INTENTIONAL ACTS: There is no coverage under this policy where loss, damage, injury or loss of life is intentionally caused by any covered person.

7. NO BENEFIT TO OTHERS: No person, organization or legal entity that has custody of your insured property and is to be paid for services will benefit from this insurance.

8. WAR, CONFISCATION, AND RADIO-ACTIVE CONTAMINATION: We do not provide any coverage for loss or damage due to:

- a. war, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by military force or military personnel, destruction or seizure for a military purpose, and including any consequence of these;
- b. the lawful or unlawful capture, seizure, confiscation, requisition, or detainment of your boat by a civil or military authority, or an attempt at any of these; or
- c. radioactive contamination.

9. WINDSTORM EXCEPTIONS: We do not provide any coverage for loss or damage due to a tropical depression, tropical storm or hurricane if it occurs:

- a. within the first seven (7) days after the policy inception date and was within 1,500 miles of the United States coastline within the seven (7) days prior to the initial issue date of this policy as shown on the Declarations Page; or
- b. at any time if your insured property is more than 100 miles from the location shown on the Declarations Page;

unless prior written consent has been obtained from us.

10. LIMITATION OF COVERAGE FOR UNLICENSED OPERATORS: If any Personal Watercraft covered under this policy is operated by any person who lacks a valid and unrestricted driver's license for the operation of an automobile, the deductible applicable to **Part D** of this policy shall be \$2,500 and coverage under this policy for **Part E: Liability**, shall not exceed \$10,000.

Part C: General Provisions In The Event Of Loss

1. PROTECTION AGAINST LOSS: If your Personal Watercraft or other property covered by this policy is damaged by a covered cause of loss you must take all lawful, reasonable steps to protect it from further damage. We will reimburse you for reasonable expenses of protecting the property. Payments for protecting property will be made in addition to any other payments we make for losses covered by this policy. But the most we will pay for protecting damaged property is the actual cash value of that property.

If we take any steps to protect damaged property, this does not mean we are accepting an abandonment of the property. And if you take any steps to protect damaged property, this does not mean you are waiving any rights you have to abandon the property.

2. NOTICE OF LOSS: You must report in writing to us or to our authorized agent as soon as possible any accident, loss, damage or expense which may be covered under this policy. This notice should state when, where and how the accident or event occurred and should include the names and addresses of any witnesses. You are also required to notify the police and file a police report as soon as you are aware that your insured property has been stolen or vandalized. If you do not provide the notice to us required by this section as soon as possible, any claim of such loss under this policy will be voided.

3. PROOF OF LOSS: Within 90 days of the date of any loss you must file with us or our authorized agent a detailed proof of loss signed and sworn to by you setting forth to the best of your knowledge the facts of the loss. We may also require you to submit to an examination under oath. If you do not file the required proof of loss or if you do not submit to the required examination under oath, any claim for such loss under this policy will be voided.

- 4. CLAIM OR SUIT AGAINST YOU:** If a claim is made or suit is brought against you for liability that is covered under this policy, you must immediately notify us and send us every demand, notice, summons or other legal papers received by you or your representative. We will pay the ensuing cost of the suit. We will also have the option of naming attorneys to represent you in the suit. If we do so, we have the sole right to control the defense of the suit.
- 5. ASSISTANCE AND COOPERATION:** Any person organization or legal entity making a claim must:
- a. cooperate with us in the investigation, settlement, or defense of any claim or suit under this policy;
 - b. assist us in the enforcement of any right of contribution or indemnity against any person, organization or legal entity which may be liable to any covered person;
 - c. allow us to inspect and appraise all damaged property, not stolen or otherwise unrecoverable, before it is repaired or disposed of;
 - d. sign a written authorization permitting us to obtain medical files and other pertinent records;
 - e. submit, at our expense, and as often as we reasonably require, to physical examination by physicians we select, at the time and place we select;
 - f. not assume any obligation or admit any fault or liability that you or we may be liable for without first obtaining our written consent; and
 - g. not incur any expenses that we may be liable for, without first obtaining our written consent. The only expenses you may incur without obtaining our prior written consent are those covered under "**Medical Payments**", **Part F** of this policy, and expenses necessary to safeguard your insured property as required under the "**Protection Against Loss**" Provision, **Part C-1**, of this policy.
- 6. PAYMENT OF LOSS:** Unless a claim has been paid by others, we will pay for any loss covered under this policy within 30 days after the detailed sworn proof of loss and proof of your interest in the insured property are given to us. The amount that we will pay will be reduced by any amount that you may owe us.
- 7. OUR RIGHT TO RECOVER:**
- a. If we make a payment under this policy and the person to or for whom payment was made has a right to recover from another for the covered loss, we will be subrogated to that right. That person will do whatever is necessary to enable us to exercise our rights and will do nothing after the loss to prejudice them.
 - b. If we make a payment under this policy and the person to or for whom payment is made recovers damages from another, that person will hold the proceeds of the recovery in trust for us and will reimburse us to the extent of our payment.
- 8. SALVAGE:** If we have made a payment under this policy for loss or damage and if there is salvage as a result of that loss or damage, we have the right to recover that salvage. We have the sole right to declare the vessel a constructive total loss and recover any salvage.
- 9. SUIT AGAINST US:** No action may be brought against us unless there has been full compliance with all terms of this policy. In addition:
- a. With respect to any claim for loss to insured property, any suit against us must be commenced within five (5) years of the date of loss or damage.
 - b. With respect to any other claim for loss, no suit may be brought against us until the amount of the covered person's obligation to pay has been determined by final judgments after trial or by written agreement signed by you, the claimant, and us. Any such legal action against us must commence within one (1) year of the date of judgment or written agreement.
 - c. No one shall have any right to join us as a party to any action against a covered person.
 - d. If any time limitations of this policy are prohibited or invalid under state law, then legal action against us must be commenced within the shortest limitation of time permitted by such law.
- 10. OTHER INSURANCE:** If any covered person has any other insurance against a property damage loss covered by this policy, we will not pay for any greater proportion of the loss than the proportion that our applicable amount of insurance stated on the Declarations Page bears to the total amount of insurance covering the loss. With respect to **Part E: Liability Coverage, Part F: Medical Payments or Part G: Uninsured Boater Coverage** any insurance provided by this contract shall be deemed excess over all other valid and collectible insurance.

Part D: Property Damage Coverage

1. **PERILS INSURED AGAINST:** We will provide coverage for all accidental direct physical loss or damage to your insured property, except as specifically excluded in this policy.
2. **EXCLUSIONS:** We do not provide property damage coverage against or resulting from:
 - a. wear and tear, mechanical breakdown, gradual deterioration, corrosion, weathering, insect, mold, animals, marine life damage;
 - b. marring, scratching, denting;
 - c. osmosis, blistering or electrolysis;
 - d. manufacturer's defects or defects in design;
 - e. loss or damage caused by freezing;
 - f. loss or damage caused by ice while moored or laid up afloat;
 - g. loss or damage to machinery or equipment from any internal cause; or
 - h. any occurrence while any Covered Person is intoxicated or under the influence of any drug unless taken as prescribed by the Covered Person's physician or is legally available without a prescription.
3. **AMOUNT OF INSURANCE:** This is an actual cash value contract. In the event of loss or damage to your insured property, we will pay the lesser of:
 - a. the actual amount necessary to repair the damage; or
 - b. the replacement cost of the property damaged minus depreciation at the time of loss or damage; provided, however, that if a total loss of the Personal Watercraft occurs within the first fifteen (15) consecutive months immediately after you have purchased the watercraft new (no prior owner or user and no more than two years since the manufacture date) then we will pay to replace that watercraft with the same model, or if such model is not available, a comparable model. In either case, such replacement will be new.
4. **REPAIRS:** We will pay for the necessary and reasonable cost to repair your insured property as a result of any covered damage after taking depreciation into account in computing the loss. The

cost of repairs shall be determined by boat repair yard, equipment repairers or surveyors agreeable to us.

5. DEDUCTIBLE AMOUNT:

- a. We will adjust each claim for a covered loss separately. The amount of each adjusted claim will be automatically reduced by the Deductible Amount shown on the Declarations Page. We will treat any two or more covered losses resulting from the same accident or occurrence as one claim.
- b. We will apply a separate property damage deductible to losses caused by wind, rain, waves or hail when those losses are the result of either a Tropical Depression, Tropical Storm or Hurricane. This deductible will replace the **Part D: Property Damage** Deductible Amount shown on the Declarations Page, and will be applied to the amount of each loss. The deductible amount will equal three times the **Part D: Property Damage Coverage** Deductible Amount shown on the Declarations Page and described in **Part D: 5a** above.

6. COMMERCIAL TOWING AND ASSISTANCE:

We will provide additional protection in the event there is an emergency situation where you and your Personal Watercraft are not in imminent danger. We will reimburse you for the reasonable costs you incur, not to exceed a total of \$150, resulting from the following services to your Personal Watercraft if help is not available and you must obtain commercial assistance:

- a. towing to the nearest place where necessary repairs can be made;
- b. delivery of gas, oil, parts or loaned battery (excluding the cost of these items themselves) or emergency labor, while away from safe harbor.

The policy deductible does not apply to this coverage.

Part E: Liability Coverage

1. **PERILS INSURED AGAINST:** We will pay sums which you or a covered person become legally obligated to pay as a result of the ownership, operation or maintenance of your insured property because of:
 - a. loss or damage to any property;
 - b. attempted or actual raising, removal, or destruction of the wreck of your insured property;

- c. failure to raise or remove the wreck of your insured property;
- d. bodily injury, loss of life;
- e. your liability to paid crew as defined in the Jones Act or under general Maritime Law; or
- f. pollution or contamination of any kind.

2. EXCLUSIONS: We do not provide liability coverage for:

- a. claims for bodily injury to you or any household member;
- b. your liability to your spouse or other persons who reside in your household;
- c. liability assumed by you under any contract or agreement;
- d. liability which arises while your insured property is being conveyed except at the point the Personal Watercraft is hauled out or launched;
- e. fines or other penalties which any Government unit requires you to pay;
- f. punitive damages, exemplary damages or the multiplied portion of any damages; or
- g. storage charges.

3. LIMIT OF LIABILITY: We will pay no more than the Amount of Insurance shown on the Declarations Page, for all damages or losses resulting from any one accident or occurrence. This is the most we will pay regardless of the number of covered persons involved, claims made, Personal Watercraft or premiums shown on the Declarations Page, or the number of boats or Personal Watercraft involved.

Part F: Medical Payments Coverage

- 1. PERILS INSURED AGAINST:** We will pay for necessary and reasonable medical, ambulance, hospital, professional nursing and funeral costs which become necessary due to bodily injury. This coverage is provided only for persons injured while in, upon, boarding, or leaving your insured Personal Watercraft, or being towed as a water skier. We will pay for only those costs incurred within one year of the date of accident.
- 2. EXCLUSIONS:** We do not provide Medical Payments coverage for:

- a. any employee of yours injured while in the course of employment or while using, maintaining or repairing your insured property;
- b. any responsibility for payment assumed by you under contract or agreement;
- c. anyone who is injured while your insured property is being conveyed, except at the point where the Personal Watercraft is hauled out or launched;
- d. anyone to or for whom benefits are payable under any state or federal compensation act or law; or
- e. you, your spouse, or other persons who reside in your household.

3. AMOUNT OF INSURANCE: We will pay no more than the Amount of Insurance shown on the Declarations Page for all covered costs of each person injured as a result of any one accident or series of accidents arising out of the same event. Any payment made under Medical Payments shall reduce the amount payable under **Part E: Liability Coverage.**

4. MEDICAL PAYMENTS PROOF OF LOSS:

A written, sworn proof of loss must be filed with us by any person seeking payment by us under the Medical Payments coverage, or by someone on their behalf. This proof of loss must include:

- a. the name and address of each person and organization performing covered services;
- b. the nature, extent and dates of these services; or
- c. itemized charges, and any sums already paid.

This proof of loss must be filed:

- a. as soon as reasonably possible after completion of services, or
- b. within one year of the date of the accident, whichever of the above occurs first.

5. ADMISSION OF LIABILITY: Any payment made under this section is not an admission of liability by you or us.

Part G: Uninsured Boater Coverage

- 1. PERILS INSURED AGAINST:** We will pay for the damages that, because of bodily injury received aboard your Personal Watercraft, you are legally entitled to recover from the uninsured owner or operator of another vessel. "Uninsured boater" and "uninsured owner or operator" mean an owner or

operator of a boat other than the Personal Watercraft named in this policy who is legally responsible for the accident.

2. EXCLUSIONS: We do not provide coverage under **Part G: Uninsured Boater Coverage:**

- a. for claims settled without our written consent;
- b. if the uninsured vessel is owned by a government agency or unit;
- c. for Personal Watercraft owned by or furnished for your regular use, or the use of a member of your immediate family or other persons who reside in your household or any person insured by this policy;
- d. for an insured using a Personal Watercraft without permission;
- e. where no evidence of physical contact exists between your Personal Watercraft and an unidentified vessel or where no evidence of physical contact exists between your Personal Watercraft and an uninsured vessel; or
- f. punitive damages, exemplary damages or the multiplied portion of any damages.

3. LOSS SETTLEMENT: The amount shown for **Part G: Uninsured Boater Coverage** on the Declarations Page is the most we will pay under **Part G**, regardless of the number of insured persons, claims made, or Personal Watercraft involved in any one accident or series of accidents arising out of the same event. This coverage will not apply directly or indirectly to the benefit of any insured under any state or federal compensation law or act. Payment made for this coverage to or for an insured person will reduce the amount that person is entitled to recover from the **Part E: Liability Coverage** of this policy.

Part H: Longshoreman's And Harbor Worker's Compensation Insurance

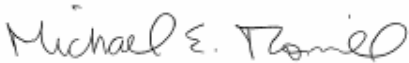
When insurance is provided under **Part E: Liability Coverage**, insurance is also provided under this section. We will provide coverage for any liability which you, as owner of the insured property, incur during the term of the policy under the Federal Longshoreman's and Harbor Worker's Compensation Act.

POLICYHOLDER NOTICE

WARNING: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

IN WITNESS WHEREOF, the Company has caused the facsimile signatures of its President and Secretary to be affixed hereto, and has caused this policy to be signed on the Declarations Page by an authorized representative of the Company.

AXIS Reinsurance Company



Michael E. Morrill
President



Richard T. Gieryn, Jr.
Secretary

PERSONAL WATERCRAFT

HELPFUL HINTS

Always provide a U.S. Coast Guard approved **Personal Flotation Device** for every rider and **make sure it's worn.**

Be aware of all **traffic** on the water.

Follow all local regulations regarding **speed limits.**

Do not speed near harbors, or in unknown waters.

Do not smoke while fueling.

Never operate your PWC while under the influence of *alcohol or drugs.*

Do not tow skiers near swimming areas.

Protect yourself **against theft** by properly securing your PWC before you leave it.

Let someone know where you are going and when you expect to return.

For answers to any **questions** on your PWC insurance, **call Ski Safe.**

Important

Promptly report all accidents and losses to us at **1-800-225-6560.**

This enables us to render our best service to you.

PLEASE READ YOUR POLICY