

WATERCRAFT, OUTBOARD MOTORS, BOAT TRAILER AND MISCELLANEOUS EQUIPMENT COVERAGE ENDORSEMENT

This endorsement applies if indicated under COVERAGES as shown on the policy declarations page.

Definitions

The words "you", "your, and "we" have the same meanings as in Section I of this policy.

Boat means the pleasure craft shown on the Declaration Page including accessories and equipment permanently attached.

Outboard Motors means the outboard motor shown on the Declaration Page including its fuel tanks, battery and electric starting equipment.

Trailer means the trailer shown on the Declaration Page.

Miscellaneous Accessories mean the on-board accessories and equipment which are not permanently attached to the boat(s) we insure and pertain to its use and safety. This includes boat covers, anchors, life preservers, lines, fire extinguishers, seat cushions, flares, horns, flaps, batteries, boxes, battery chargers, pumps, sails and similar equipment. Miscellaneous accessories do not include water skis or other water related sports equipment.

Insured Perils

We insure the items described in the Policy Declarations or attached schedule against All Risks of direct physical loss or damage, subject to the following terms and conditions.

LOSS OR DAMAGE NOT INSURED

We do not insure:

1. Any property illegally acquired, kept, stored or transported or property seized or confiscated for breach of any law or by any order of any public authority
2. Any property lawfully seized or confiscated unless the property is destroyed to prevent the spread of fire
3. Water skis or other water related sports equipment.

We do not insure loss or damage to boat(s) and motor(s):

1. Used for compensation or hire
2. Rented or leased to others for compensation. We will, however, cover an insured motor if you use it on a boat you do not own
3. While operated in an official race or speed test: however, this does not apply to sailboats, their equipment or accessories.

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

1. Wear and tear, deterioration mechanical defects or breakdown, scratching, denting or freezing
2. Vermin or insects
3. The intentional or criminal acts of, or the 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
4. Electrical current, other than lightning, which damaged electrical apparatus. If, however, a fire results, we will pay for the fire damage
5. Any process or work being performed where the damage results from such process or work
6. Any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material
7. War, invasion, act of a foreign enemy, declared or undeclared hostilities, civil war, rebellion, revolution, insurrection or military power.

BASIS OF CLAIM SETTLEMENT

When coverage Applies

We will pay claims for loss or damage up to your financial interest in the property but not more than the applicable limit(s) of insurance for any loss or damage arising out of one occurrence.

Deductible Clause

A deductible of \$100 applies to each claim for loss or damage. We will pay only the amount by which the insured loss or damage exceeds the applicable deductible amount in any one occurrence.

Replacement Cost

We will pay the Replacement Cost of the loss or damage at the date of the occurrence up to the applicable limit of insurance for each item listed on the Declaration Page.

We will pay the lesser of:

1. The cost of repair with materials of similar kind and quality, or
2. The cost of new articles or similar kind, quality and usefulness without any deduction for depreciation up to the limit of insurance, or applicable limit or insurance, but we will not pay more than the Actual Cash Value or the loss or damage
3. If the property is not repaired or replaced
4. If the repair or replacement is not effected as soon as reasonably possible
5. For property no longer in use for its original intended purpose
6. For antiques and items of a similar nature which, by their inherent nature, cannot be replaced with a comparable article.

Actual Cash Value

The Actual Cash Value is what the property is worth and takes into account such things as the cost of replacement less any depreciation and obsolescence, in determining depreciation, we will consider the condition of the property immediately before the damage occurred, the resale value and normal life expectancy.

**Special Conditions
Newly Acquired Articles**

If you acquire any additional articles of the type for which a limit of insurance is shown, we will automatically insure these under this form, provided you notify us within 30 days. We will not pay more than \$5,000 under this extension.

Territorial Limits

You are covered within the territorial limits of Canada and the Continental United States up to the limits of insurance shown on the Declaration Page.

Other Insurance

We shall not be liable for loss or damage if, at the time of loss, there is any other insurance which would attach if this insurance had not been effected, except that this insurance shall apply only as excess and in no event as contributing insurance and then only after all other insurance has been exhausted.

Recovery

There shall be no recovery for a total loss under this Rider unless the expense of recovering and repairing the property exceeds the amount of insurance thereon.

All the Statutory and Addition Conditions of the policy also apply to this endorsement.

SAMPLE