



## **PEER-TO-PEER BOAT RENTAL POLICY**

**TO REPORT A CLAIM 7 DAYS A WEEK:  
1-855-408-BOAT (2628)**

GEICO Marine Insurance Company  
A Stock Company  
Annapolis, MD

# PEER-TO-PEER BOAT RENTAL POLICY

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## SECTION I - INSURING AGREEMENT

"We" will provide the coverages shown on the Declarations Page, contained in this policy and any endorsements, for any covered loss that occurs during a "rental period", on the condition that the premium has been paid and all policy provisions have been met.

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

Words and phrases that appear in quotation marks have special meaning. Refer to Definitions.

## SECTION II - DEFINITIONS

In this policy certain words are defined as follows:

- A. **"Abandon"** is defined as the act of voluntarily giving up, surrendering, deserting or relinquishing property and all rights to its control with the intention of terminating ownership and without the intention of vesting ownership with any other person or entity.
- B. **"Accident"** is defined as a sudden and unexpected event or occurrence to which this insurance applies and which happens within the "rental period". Continuous or repeated exposure to substantially the same general condition, unless excluded, is considered to be one "accident".
- C. **"Actual cash value"** is defined as the value of the covered property at the time of loss or damage. For partial losses this will be determined by replacement cost less depreciation. For total or constructive total loss, this will be determined by industry reference materials including, but not limited to, the N.A.D.A. book, the BUC Used Price Guide, and ABOS Marine Blue Book.
- D. **"Bareboat rental"** is defined as a rental where the "boat owner" does not accompany the "renter" nor provide a paid captain to accompany the "renter" during the "rental period".
- E. **"Boat owner"** is defined as the individual, individuals or legal entity as named on the ownership documents (including, but not limited to, Coast Guard documentation, state registration, or title) of the "insured boat" and listed as the "boat owner" on the "Rental Agreement."
- F. **"Boating equipment"** is defined as equipment regularly carried aboard the "insured boat" and that is considered normal for the safe operation and routine maintenance of the "insured boat" as well as a "dinghy" and its outboard engine. This includes but is not limited to all attached electronics and all Coast Guard (USCG) required safety equipment.
- G. **"Bodily injury"** is defined as physical injury, sickness or disease sustained by a person including death resulting from any of these.
- H. **"Captained rental"** is defined as a rental where the "boat owner" either acts as captain or provides a paid captain to accompany the renter during the "rental period" for the private pleasure use of the "renter" or watersports, charter fishing, sightseeing, or dinner cruises only. Such rentals shall be designated as "captained rental" on the "Rental Agreement." All other commercial or business use, governmental functions or purposes, or any other non-private pleasure use is excluded.
- I. **"Dinghy"** is defined as a boat not to exceed 14 feet in length overall, including an outboard motor that does not exceed 25 horsepower primarily used as the tender to the "insured boat" listed on the "Rental Summary". The maximum coverage for any "dinghy" and its outboard is \$15,000 and will be determined using "actual cash value".
- J. **"Family member"** is defined as any person related to the "insured" by blood, marriage, civil union, domestic partnership, or adoption, including a ward or foster child, who resides with the "insured" in a fixed, permanent place of abode, where the intent is to return to that place, despite periods of temporarily living elsewhere or temporary absences
- K. **"Fuel spill"** is defined as the unintentional discharge, leakage or spillage of petroleum products or chemicals from the "insured boat".
- L. **"Insured"** is defined separately in Section III and in each coverage under Section IV, under the heading **Who Is An Insured**. An "insured" under one section or coverage may not be an "insured" under other sections or coverages. Please carefully review the **Who Is An Insured** provision at the beginning of Section III and the beginning of each coverage under Section IV in order to understand who is an "insured" under that section or coverage.
- M. **"Insured boat"** is defined as the boat which is named on the "Rental Summary" including its hull, machinery, outboard motors, sails, spars and furniture.
- N. **"Named storm"** is defined as a storm named by the National Oceanic and Atmospheric Administration (NOAA).
- O. **"Obsolescence"** is defined as the loss of value due to changes in technology which render the item no longer useful.
- P. **"Policyholder"** is defined as the legal entity named as "Policyholder" on the Declarations Page.
- Q. **"Property damage"** is defined as direct physical injury to, or destruction of, tangible property.

- R. **“Rental Summary”** is defined as the document provided by the “policyholder” to the “boat owner” and “renter” that summarizes the agreement entered into by the “boat owner” and “renter” and specifies the date and time of the “rental period” as well as the conditions of the rental including whether it is a “bareboat rental” or a “captained rental”.
- S. **“Replacement cost”** means the amount to replace damaged property with new property of like kind and quality.
- T. **“Rental period”** is defined as the period of time indicated on the “Rental Summary” for a “bareboat rental” or “captained rental” during which coverage under this policy will be in force. The start time of the “rental period” shown on the “Rental Summary” may be delayed for up to two hours if the “renter” and the “boat owner” both agree to the change and inform the “policyholder” so long as the duration of the “rental period” does not change. The “rental period” may be extended beyond the time stipulated in the “Rental Summary” if:
1. The “renter” is delayed in returning the “insured boat” to the “boat owner’s” possession due to an “accident”, or
  2. The “renter” obtains permission from the “boat owner” to extend the “rental period”, the “boat owner” notifies the “policyholder” of the change in the “rental period”, and the “policyholder” pays any additional premium.
- U. **“Renter”** is defined as any person listed as the Renter/Approved Operator in the “Rental Summary” and declared as an operator of the “insured boat” during the “rental period”.
- V. **“Trailer”** is defined as the un-motorized land conveyance used to transport the “insured boat” during a “rental period”.
- W. **“Uninsured boat”** is defined as a boat being operated by an “uninsured boater”.
- X. **“Uninsured boater”** is defined as an owner or operator of a boat other than the “insured boat” named on the “Rental Summary”, who is legally responsible for a collision with the “insured boat”, and:
1. To whom no liability policy applies; or
  2. Who cannot be identified (such as a hit-and-run operator).
- Y. **“We”, “us”, and “our”** is defined as the Company providing this insurance.

4. A paid captain on a “captained rental” during the “rental period”.

## B. Actions To Take

1. Immediately upon a loss, each “insured” must:
  - a. Take all necessary steps to protect the “insured boat” and its “boating equipment” from further loss. “We” will pay the reasonable costs that the “insured” incurs in preventing further damage (Sue and Labor Expense) if the loss is covered under the Hull and Equipment section of this policy. This Sue and Labor Coverage is in addition to those coverages noted under Hull and Equipment. “We” do not cover the “insured’s” labor or personal expense nor any amount in excess of the “actual cash value”.
  - b. Give “us” immediate notification of the loss and its circumstances.
  - c. Promptly notify law enforcement if the “insured boat” or any of its “boating equipment” is stolen or if required by state or federal law.
2. Following a loss each “insured” must:
  - a. Give “us” the opportunity to inspect the “insured boat” or “boating equipment” before it is repaired or discarded.
  - b. Submit a statement describing the loss and any records needed to verify the loss, its amount, and each “insured’s” interest in any property damaged or loss.
  - c. Assume no obligation, admit no liability and incur no expense for which any “insured” or the Company may be liable without “our” written permission, other than reasonable expenses incurred to protect the property from further damage.
  - d. Immediately notify “us” about and forward to “us” any legal papers or notices received in connection with the loss.
  - e. Cooperate with “us” in the investigation, defense, or settlement of any loss, and agree to be examined under oath as many times as “we” request.
  - f. Allow examinations by physicians of “our” choice, when pertinent to the loss.
  - g. Help “us” to obtain copies of medical reports and records.
  - h. Give “us” a final notarized statement, which shall be called Proof of Loss, if requested.

## C. Payment Of Loss

After “we” receive all statements and supporting documents, “we” will promptly process the claim. Upon agreement with an “insured” of the amount to be paid, “we” may ask each “insured” to complete a notarized Proof of Loss.

After submission of the Proof of Loss, payment will be issued to the “insured” and any lienholder and/or repair yard. Each “insured’s” cooperation is needed to

## SECTION III - IN THE EVENT OF A LOSS

### A. Who Is An Insured

For purposes of this section only, “insured” is defined as:

1. The “policyholder”;
2. The “boat owner” during the “rental period”;
3. The “renter” and permissive operators of the “insured boat” during the “rental period”; and

expedite settlement and payment. If any "insured" does not provide all requested papers within a year of the loss, the claim may be voidable.

#### **D. Our Rights To Recover**

The "insureds" may have the right to recover from another party who is responsible for the loss or loss to the "insured boat". If "we" pay the "insureds" loss under this policy, this right of recovery will belong to "us" up to the amount that "we" have paid the "insureds". If any "insured" takes any action that impairs "our" right to recover, "we" can consider this policy without effect as to such loss. However, signing a written contract for dockage, slip rental, moorage, hauling/launching, storage, repair or maintenance of the "insured boat" which includes a waiver of subrogation provision shall not void this policy.

### **SECTION IV - COVERAGES**

#### **A. Hull And Equipment**

##### **1. Who Is An Insured**

For purposes of Hull and Equipment coverage only, "insured" is defined as the "boat owner" during the "rental period".

##### **2. Coverage Provided**

"We" will cover the "insured boat" and "boating equipment" up to the limit shown on the Declarations Page. Within that limit, "we" will cover computer hardware and software up to \$500.

Personal items (including, but not limited to, scuba gear, sporting goods, clothing, portable televisions and stereos, cameras, and fishing gear including rods, reels, and tackle), fuel, perishables and consumables (including, but not limited to, food, ice, beverages, paper, and cleaning products) are not covered.

Coverage is provided for any "accident" including theft or vandalism. "We" do not pay for any intangible loss, such as loss of use or value, living expenses, rental fees or "obsolescence".

##### **3. Insured Value**

"We" agree with the "insured" that the "insured boat" and other covered property shall be valued at "actual cash value" at the time of the loss.

##### **4. Exclusions**

This insurance does not cover:

- a. Any loss caused directly or indirectly by wear and tear, gradual deterioration, mechanical or electrical breakdown, overheating, ice or freezing, galvanic action, rot, mold or mildew, corrosion, electrolysis, weathering, marring, scratching, denting, vermin, animals, marine life, or insects; however, "we" will cover immediate consequential damage resulting from any fire or sinking;
- b. Any loss or damage caused by or resulting from blistering or delamination;

- c. Any cost of repair or replacement of a part which fails as a result of a defect in design, manufacture or construction; however, "we" will cover consequential damage that results from such failure if not otherwise excluded;
- d. Any loss, damage, expense or cost of repair caused directly or indirectly by incomplete, improper or faulty repair, maintenance, or renovation;
- e. Any liability for wages or provisions furnished to captain or crew;
- f. Any loss, damage or expense during the "rental period" caused intentionally by, with the knowledge of, or resulting from criminal wrongdoing by the "policyholder", the "boat owner," the "renter" or permissive operators, or a paid captain during the "rental period";
- g. Personal labor, personal expenses, time, loss of income or wages, travel expenses, lodging, meals, loss of rental fees or loss of use on the part of the "boat owner", the "policyholder", the "renter" or permissive operators, or a paid captain; or
- h. Any loss caused directly or indirectly by a "named storm".

#### **5. Amount Paid In Event Of Loss**

##### **a. Total or Constructive Total Loss**

"We" will pay the "insured" the "actual cash value" if the "insured boat" is lost absolutely, or if the reasonable cost of repair exceeds the "actual cash value". "We" reserve the right to declare the "insured boat" a constructive total loss and pay "the insured" the "actual cash value" if, in our judgment, costs of the repair and the post-casualty value of the "insured boat" exceeds the "actual cash value". "We" are not obligated to accept or pay for the "insured boat" or any "boating equipment" which "the insured" "abandons." If "we" pay "the insured" the "actual cash value", "we" have the right to the "insured boat". If "we" exercise "our" right to acquire the "insured" boat, "the insured" must provide all documents needed to transfer title to "us". The "insured" agrees to allow "us" to withhold an amount not to exceed 10% of the "actual cash value" until "we" have received these documents.

##### **b. Repairs for Partial Loss**

If the "insured boat" is not lost absolutely, and the reasonable cost of repair does not exceed the "actual cash value", "we" will pay the reasonable cost of repairs or replacements, in accordance with quality marine repair practice, less depreciation on all parts and materials. Depreciation shall be calculated at five (5) percent for each year beginning with the year of manufacture. In all cases, there shall remain no less than fifty (50) percent residual value, regardless of age. In the event of damage to

plywood, plastic, fiberglass, metal, cement, or other molded material, “we” are obligated to pay only the reasonable cost of repairing the damaged area, in accordance with quality marine repair practice. If there is a covered loss requiring repainting of the “insured boat”, “we” will pay only the cost of repainting or resurfacing the damaged area in accordance with customary marine repair practices so that the area repaired will match, as closely as practical, the original color. “We” have the option to make or reimburse the “insured” for repairs or replacements, or to pay the “insured” directly based on an agreed estimate of loss. Repairs and replacements will be made with like kind and quality, which includes an allowance for depreciation.

In the event of damage to a “dinghy” where the cost of repair exceeds the “actual cash value” of the “dinghy,” the most “we” will pay is the “actual cash value” of the “dinghy.”

**c. Unrepaired Damage**

“We” do not cover any previously unrepaired damage.

**d. Appraisal and Dispute**

If the “insured” has met the requirements and conditions of the policy, and if the amount of a covered loss is still in dispute, the “insured” or “we” may demand an appraisal of such loss. Upon receipt of written demand for appraisal, each will choose and pay a competent appraiser within 30 days. The appraisers will pick a third person within 30 days to settle any differences. Each party will be responsible for payment of their own appraiser and will share the cost of the third appraiser equally. Each appraiser will separately state the amount of loss within 30 days of the naming of the third appraiser. The amount “we” will pay will be the award agreed to in writing by two of these appraisers less the applicable deductible shown on the “Rental Summary”. The appraisal and dispute process must be complete within 90 days of the date first demanded, unless extended by agreement of all parties. If the appraisal and dispute process is not complete within 90 days of the date first demanded, the original settlement amount will be deemed accepted and final.

**6. Deductible**

The deductible amount shown on the “Rental Summary” will be subtracted from each and every loss as described in Section V – General Conditions.

**7. Salvage Charges**

In the event of a salvage claim against the “insured boat”, coverage for the salvage claim is limited to an amount not to exceed the “actual cash value”.

**B. Boating Liability (Protection & Indemnity)**

**1. Who Is An Insured**

For purposes of Boating Liability coverage only, “insured” is defined as:

- a. The “policyholder” during the “rental period”;
- b. The “boat owner” during the “rental period”;
- c. The “renter” and permissive operators of the “insured boat” during the “rental period”; and
- d. A paid captain on a “captained rental” during the “rental period”.

**2. Coverage Provided**

“We” will pay damages and any costs assessed against an “insured” up to the amount shown under Boating Liability on the Declarations Page for any claim or suit covered under this policy for “bodily injury” or “property damage” for which an “insured” becomes legally liable through the ownership, maintenance or use of the “insured boat”. “We” will settle or defend, as “we” consider appropriate, any claim or suit covered under this policy which asks for these damages. “We” will pay for an attorney “we” select to defend an “insured”, and the cost of an “insured’s” defense is in addition to the limit of liability as stated on the Declarations Page. “We” will also pay the cost of bonds to release property that is being used to secure an “insured’s” legal obligation in any suit “we” defend. The amount of the bond shall not exceed the amount shown for Hull and Equipment or Boating Liability on the Declarations Page, whichever is less.

“We” will pay for the removal or disposal of the wreck of the “insured boat” if an “insured” is legally obligated to do so even if such attempts to remove the wreck fail.

Once “we” have paid the limit of liability for any covered damages, including removal of wreck, “our” obligation to pay any damages, or to provide an “insured” with a defense, ends.

**3. Exclusions**

“We” do not provide liability coverage for:

- a. “Bodily injury” to a “family member” of any “insured: or damage to property owned by a “family member” of any “insured”;
- b. “Bodily injury” to any “insured” or damage to property owned by any “insured”;
- c. Liability which has been assumed by any “insured” under a contract or agreement, or any breach of contract;
- d. “Bodily injury” or “property damage” arising out of the transportation of the “insured boat” or “trailer” by a land-based motorized vehicle;
- e. “Bodily injury” or “property damage” arising out of any “insured” or other person scuba diving, snorkeling, parasailing, kite skiing, or riding in/on any other device that is designed to become airborne, from the “insured boat”;
- f. “Bodily injury” or “property damage” caused by or resulting from an intentional act of any “insured”;

- g. "Bodily injury" or "property damage" caused by any animal owned by any "insured" or a "family member" of any insured;
- h. "Bodily injury" or "property damage" arising out of the exposure to or transmission of a communicable disease.
- i. Any claim for punitive damages; or any fine, penalty or costs of defense arising out of a criminal or civil violation of law or assessment by a governmental authority;
- j. Injuries for which benefits are required to be provided by any "insured" or which are available to the injured person under any state or federal compensation law or act regardless of its source, and any claims by captain or crew for maintenance and cure, Jones Act liability, or unseaworthiness.
- k. Cost of the containment, cleanup or resulting "bodily injury" or "property damage" or assessments related to the discharge, leakage or spillage of petroleum products, chemicals, bacteria, viruses, mold or other substances of any kind or nature.

#### 4. Limit Of Liability

The amount shown for Boating Liability, Limit Per Person Each Accident, Bodily Injury and Property Damage, on the Declarations Page is the most we will pay in respect to each person. This limit applies to each "accident" or series of "accidents" arising out of the same event.

The amount shown for Boating Liability, Aggregate Limit Each Accident, on the Declarations Page is the most we will pay under Boating Liability for all losses resulting from any "accident" or series of "accidents" arising out of the same event, regardless of the number of insured or injured persons, claims made, or boats involved.

### C. Fuel And Other Spill Liability

#### 1. Who Is An Insured

For purposes of Fuel and Other Spill Liability coverage only, "insured" is defined as:

- a. The "policyholder" during the "rental period";
- b. The "boat owner" during the "rental period";
- c. The "renter" and any permissive operators of the "insured boat" during the "rental period"; and
- d. A paid captain on a "captained rental" during the "rental period".

#### 2. Coverage Provided

"We" will pay up to the covered amount for the containment, cleanup, "property damage" and assessments resulting from a "fuel spill" from the "insured boat" for which an "insured person" becomes legally liable through the ownership, maintenance or use of the "insured boat". "We" will settle or defend, as "we" consider appropriate, any

claim or suit which asks for these covered expenses and/or damages. "We" will also pay for an attorney "we" select to defend an "insured". Once "we" have paid the limit of liability for containment, cleanup, resulting "property damage" and/or assessments related to a "fuel spill", "our" obligation to pay any damages, or to provide an "insured" with a defense, ends. This coverage will not apply if an "insured" fails or refuses:

- a. To report the incident giving rise to liability as required by law when an "insured" knows or has reason to know of the incident; or
- b. To provide all reasonable cooperation and assistance requested by a responsible official in connection with containment and cleanup activities.

#### 3. Exclusions

"We" do not provide any coverage under this section for:

- a. liability which has been assumed by any "insured" under a contract or agreement, or any breach of contract;
- b. liability arising out of the transportation of the "insured boat" or "trailer" by a land-based motorized vehicle;
- c. liability caused by or resulting from an intentional act or willful misconduct of any "insured"; any claim for punitive damages; or, any fine, penalty or costs of defense arising out of a criminal or civil violation of law;
- d. liability arising out of the discharge, emission, spillage or leakage of any radioactive material or substance of any kind; or,
- e. liability for "bodily injury".

#### 4. Limit Of Liability

The amount shown for Fuel and Other Spill Liability on the Declarations Page is the most "we" will pay regardless of the number of "insureds", claims made, or boats involved in any one "accident" or series of "accidents" arising out of the same event.

### D. Medical Payments

#### 1. Who Is An Insured

For purposes of Medical Payments coverage only, "insured" is defined as:

- a. The "boat owner" during the "rental period", and
- b. The "renter" and permissive operators of the "insured boat" during the "rental period" and the "renter's" guests aboard the "insured boat".

#### 2. Coverage Provided

"We" will pay the necessary medical and funeral expenses resulting from a "bodily injury" from an "accident" which occurs while in, upon, boarding, or

leaving the “insured boat” as well as injury resulting from water skiing from the “insured boat” during the “rental period”. These expenses must be incurred within three years from the date of the “accident”. If there are any other available medical plans or benefits that offer coverage for medical expenses to the injured person, this coverage will be excess over such plans or benefits.

### 3. Exclusions

“We” do not provide Medical Payments coverage for:

- a. Liability assumed by an “insured” under a contract or agreement, or any breach of contract;
- b. “Bodily injury” arising out of the transportation of the “insured boat” or “trailer” by a land-based motorized vehicle;
- c. Injury to a trespasser on the “insured boat”;
- d. “Bodily injury” arising out of any “insured” or other person scuba diving, snorkeling, parasailing, kite skiing, or riding in/on any other device that is designed to become airborne, from the “insured boat”;
- e. “Bodily injury” caused by any animal owned by any “insured” or a “family member” of any insured;
- f. “Bodily injury” arising out of the exposure to or transmission of a communicable disease.
- g. An insured’s employees or a paid captain or crew; or,
- h. Injuries for which benefits are required to be provided by the “insured” or which are available to the injured person under any state or federal compensation law or act regardless of its source and any claims by captain or crew for maintenance and cure, Jones Act liability, or unseaworthiness.

### 4. Limit Of Liability

The amount shown for Medical Payments on the Declarations Page is per person for each person injured in the same event regardless of the number of persons involved or claims made.

## E. Boat Trailer

### 1. Who Is An Insured

For purposes of Boat “trailer” coverage only, “insured” is defined as the “boat owner” during the “rental period”.

### 2. Coverage Provided

If a “boat trailer” is shown on the “Rental Summary”, “we” will pay for all “property damage” to the “trailer” from any “accident” including theft or vandalism which occurs within 250 miles of the location where the “trailer” is regularly garaged. “We” do not pay for any intangible loss, such as loss of value, loss of use or any loss of rental income. “We” are not obligated to accept or pay for a “trailer” which has been

abandoned. In the event of a total or constructive total loss, “we” will pay the “actual cash value” of the “trailer” at the time of loss. If “we” pay the “boat owner” the “actual cash value”, “we” have a right to the salvage. In the event of a partial loss, “we” will pay the reasonable cost of repairs in accordance with quality “trailer” repair practice. “We” have the option to make, or reimburse the “insured” for, repairs or replacements, or to pay the “insured” directly based on an agreed estimate of loss. Replacements will be made with like kind and quality which includes an allowance for depreciation.

### 3. Deductible

The deductible amount shown on the “Rental Summary” will be subtracted from each and every loss as described in Section V – General Conditions.

### 4. Exclusions

“We” will not pay for any loss caused directly or indirectly by: wear and tear, gradual deterioration, mechanical or electrical breakdown, bearing failure and resulting damage, overheating regardless of cause, corrosion, manufacturer’s defect, faulty repair, previously unrepaired damage, rust, weathering, vermin, animals, marring, scratching or denting.

## F. Uninsured Boater

### 1. Who Is An Insured

For purposes of Uninsured Boater coverage only, “insured” is defined as:

- a. The “boat owner” during the “rental period”,
- b. The “renter” and permissive operators of the “insured boat” during the “rental period” and their guests aboard the “insured boat”, and
- c. A paid captain on a “captained rental” during the “rental period”.

### 2. Coverage Provided

“We” will pay the damages which, because of “bodily injury” an “insured” received aboard the “insured boat”, the “insured” is legally entitled to recover from an “uninsured boater” as the result of a collision by an “uninsured boat” with the “insured boat”.

### 3. Arbitration Of Disputes

If “we” and any “insured” do not agree whether that “insured” is legally entitled to recover damages under Uninsured Boater coverage, or as to the amount of damages, either party may make written demand for arbitration. If so demanded, arbitration will be mandatory, and claims or disputes under this coverage over whether the “insured” is legally entitled to recover damages or as to the amount of damages will be resolved exclusively by arbitration.

Each party will select and pay for a competent arbitrator. The arbitrators will select a third person to settle any differences. If they cannot agree on the selection of a third arbitrator within 30 days, either party may request that selection be made by a judge



of a court having jurisdiction. Arbitration will take place in the county where the insured party lives, unless both parties agree otherwise. Local rules of law regarding procedure and evidence will apply. A written agreement by two of the arbitrators will be binding as to whether an "insured" is legally entitled to recover damages under this coverage and the amount of these damages. Each party will pay the expenses it incurs and share the expenses of the third arbitrator equally.

#### 4. Exclusions

"We" do not provide Uninsured Boater coverage:

- a. For claims settled without "our" written consent;
- b. "Bodily injury" or "property damage" arising out of the transportation of the "insured boat" or "trailer" by a land-based motorized vehicle;
- c. If the "uninsured boat" is owned or operated by a governmental agency or employee;
- d. If the "uninsured boat" is boat is owned by or furnished for regular use by any "insured", any "family member", or any person insured by this policy;
- e. Injury to a trespasser on the "insured boat";
- f. When the "insured boat" named in the "Rental Summary" is being operated as a "captained rental" without that "captained rental" being specified in the "Rental Summary"; and
- g. Where no evidence of physical contact exists between the "insured boat" and an unidentified boat, or where no evidence of physical contact exists between the "insured boat" and an "uninsured boat".

This coverage will not apply directly or indirectly to the benefit of any insurer under any state or federal compensation law or act.

#### 5. Payment Reductions

Payment under this coverage shall be reduced by:

- a. All sums paid by or on behalf of those legally responsible;
- b. All sums paid by any state or federal compensation law or act; or,
- c. All sums paid under the Boating Liability or Medical Payments coverages of this policy.

Payment under this coverage to or for an "insured" person will reduce the amount that person is entitled to recover from the Boating Liability or Medical Payments coverages of this policy.

#### 6. Limit Of Liability

The amount shown for Uninsured Boater on the Declarations Page is the most "we" will pay, regardless of the number of "insured" persons, claims made, or boats involved in any one "accident", or series of "accidents" arising out of the same event.

## SECTION V - GENERAL CONDITIONS

### A. Eligibility For Coverage

Any boat approved by "us" for use in the "policyholder's" program shall be eligible for coverage under this policy. Any "insured boat" whose listing is removed from the "policyholder's" program by the "policyholder" as per the terms and conditions of the program will no longer be eligible for coverage immediately upon removal.

### B. Where Covered

Coverage is provided:

1. While afloat, in United States and Canadian coastal and inland waters within 12 miles of shore; and,
2. While the "insured boat" or its equipment is being transported by land conveyance within 250 miles of its regularly garaged location in the United States.

### C. Night Navigation Exclusion

There is no coverage provided by this policy while the "insured boat" is not secured to a dock, anchor or mooring during the period from one-half hour after official sunset until one-half hour before official sunrise at the physical location of the "insured boat."

### D. Deductible

The deductible shown on the "Rental Summary" shall be deducted from each and every loss paid under the Hull and Equipment and/or Boat Trailer coverages. The deductible shall be applied only once per "accident".

### E. Warranties

The "policyholder", "boat owner", "renter" and the paid captain on a "captained rental" make the following warranties:

It is warranted that the "insured boat" is at all times sound and seaworthy, and use or operation of the "insured boat" will be limited to the cruising limits shown on the Declarations Page.

It is warranted that at no time will the number of passengers exceed:

1. The maximum rated capacity of the "insured boat";
2. The number of passengers permitted by applicable law; and,
3. Six (6) fare-paying passengers if the "insured boat" is under "captained rental" during the "rental period".

It is further warranted that all necessary or required licenses, permits and certificates pertaining to the use, operation and operator of the "insured boat" are in full force and effect as of the commencement date of the coverage provided, and that the same will continue in full force and effect at all times during the "rental period".

### F. Racing Exclusion

"We" will not provide any coverage while the "insured boat" is engaged in sailboat racing or any speed race, pacing or test including predicted log cruises or similar competitions.

## **G. Private Pleasure Limitation**

There is no coverage provided by this policy if the "insured boat" is used for commercial or business purposes, governmental functions or purposes, or any other non-private pleasure use. However, coverage is provided for a "captained rental". There is no coverage if the "insured boat" is used for illegal activities.

## **H. Named Storm Suspension**

At the time of issuance of a watch or a warning for a "named storm", all rentals in the watch or warning area shall be cancelled by the "policyholder" and all "boat owners" and "renters" shall be notified of the cancellation of their rentals. All coverage under this policy is suspended within the area of the watch or warning until the watch or warning is lifted.

## **I. Other Insurance**

If there is any other available insurance that would apply in the absence of this policy, this insurance shall apply as excess over the other insurance. With regard to Hull and Equipment Coverage and Trailer Coverage, the combined amount of all available insurance shall not exceed the limits of this policy for any loss.

## **J. Transfer Of Interest**

The coverage provided by "us" will terminate automatically if the "boat owner" sells or has contracted to sell the "insured boat" with consideration, or if the "boat owner" has assigned the "insured boat" or "trailer", or any interest in the policy, or, if the "insured boat" is legally removed from the "boat owner's" custody for any reason.

## **K. Cancellation**

The "policyholder" may cancel this policy at any time by providing "us" with written notification stating a date certain for cancellation, which date shall not be less than 90 days after the date of said notice. Subject to the requirements of state law, "we" may cancel this policy by notifying the "policyholder" in writing and stating a date certain for termination, which date shall not be less than 90 days after the date of said notice. This cancellation notice will be mailed to the "policyholder" at the address shown on the Declarations Page, and proof of such mailing shall be sufficient proof of notification. "We" shall provide notification to "boat owners" eligible for coverage under this policy at the time of cancellation that they will no longer be eligible for coverage under this policy as of the cancellation date.

## **L. No Benefit To Bailee**

No person or organization having custody of the "insured boat" and being compensated for services shall benefit from this insurance.

## **M. Fraud And Concealment**

There is no coverage from the beginning of this policy if the "policyholder", the "boat owner", the "renter" or a paid captain has omitted, concealed, misrepresented, sworn falsely, or attempted fraud in reference to any matter relating to this insurance before or after any loss.

## **N. Non-Waiver Clause**

No action taken on our part following an "accident" or loss to salvage, recover or prevent the "insured boat" from further damage, nor any action which may be taken by us in connection with the investigation of any "accident" or loss shall be considered as a waiver of our rights under this policy.

## **O. Controlling Law**

This policy is to be construed under federal admiralty law. In the absence of controlling federal admiralty law, this policy is to be construed under the law of the State of California without regard for its principles governing conflicts of laws.

## **P. Legal Action Against Us**

No legal action may be brought against "us" unless there has been full compliance with all terms of this policy. With respect to any claim or loss to the "insured boat", the action must begin within two years of the date of loss or damage. With respect to any other claim or loss, no legal action may be brought against "us" until "we" agree in writing that any "insured" as defined anywhere in this policy has an obligation to pay a specified amount, or until the amount of that obligation has been finally determined by judgment after trial. No one has a right under this policy to bring "us" into any action to determine the liability of an "insured". If any time limitations of this policy are prohibited or invalid under applicable law, then legal action against "us" must begin within the shortest limitation of time permitted by such law. Except as otherwise provided for within this policy, any dispute arising under or in connection with this policy or related to any matter which is subject to this policy shall be subject to the exclusive jurisdiction of the United States District Court for the Eastern District of Virginia or The United States District Court of the District of Maryland.

## **Q. Economic And Trade Sanctions**

Whenever coverage provided by this policy would be in violation of any U.S. economic trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. 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 evidences of insurance or any claim that would be in violation of U.S. economic or trade sanctions as described above shall also be null and void.

## **R. War, Seizure, Nuclear Exclusion**

"We" will not pay for any loss or damage resulting from:

1. Radioactive contamination or nuclear reaction;
2. War (declared or undeclared), civil war, insurrection, rebellion, revolution, or any consequence of these; or
3. Capture, seizure, arrest or detention of the "insured boat" by any governmental power or authority, whether lawful or unlawful. In the absence of unlawful activities, however; "we" will pay for any physical damages to the "insured boat" or its equipment caused by United States governmental authorities.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **WASHINGTON CHANGES**

This endorsement modifies insurance provided for rentals occurring in the State of Washington under the following:

### PEER-TO-PEER BOAT RENTAL POLICY

- A.** The definition of “bodily injury” in Paragraph **G.** of **Section II – Definitions** is deleted in its entirety and replaced by the following:
- G.** “Bodily injury” means bodily harm, sickness or disease, except a disease which is transmitted by an insured through sexual contact. “Bodily injury” includes required care, loss of services and death resulting from covered bodily harm, sickness or disease.
- B. Section IV – Coverages** is modified as follows:
1. The third paragraph in Paragraph **B.2.**, “Once “we” have paid the limit of liability for any covered damages, including removal of wreck, “our” obligation to pay any damages, or to provide an “insured” with a defense, ends.” is deleted in its entirety and is replaced by the following:  
Once “we” have paid the Limit Of Liability for any covered damages, including Removal Of Wreck:
    - a. “Our” obligation to pay any damages ends; and
    - b. “Our” obligation to provide an “insured” with a defense ends, as long as “we” have reached a judgment or settlement with the injured party or obtained permission from the “insured”.
  2. The communicable disease exclusion, Paragraph **B.3.h.**, is deleted in its entirety.
  3. The fourth sentence in Paragraph **C.2.**, “Once “we” have paid the limit of liability for containment, cleanup, resulting “property damage” and/or assessments related to a “fuel spill”, “our” obligation to pay any damages, or to provide an “insured” with a defense, ends.” is deleted in its entirety and replaced by the following:  
Once “we” have paid the Limit Of Liability for containment, cleanup, resulting “property damage” or assessments related to a “fuel spill”:
    - a. “Our” obligation to pay any damages ends; and
    - b. “Our” obligation to provide an “insured” with a defense ends, as long as “we” have reached a judgment or settlement with the injured party or obtained permission from the insured.
- 4.** Paragraph **F.3.** is deleted in its entirety and replaced by the following:
- 3. Arbitration Of Disputes**
- If “we” and any “insured” do not agree whether that “insured” is legally entitled to recover damages under Uninsured Boater coverage, or as to the amount of damages, either party may make written demand for arbitration. If so demanded, arbitration will be mandatory. The parties may agree in writing that arbitration will be binding, in which case all claims or disputes under this coverage over whether the “insured” is legally entitled to recover damages or as to the amount of damages will be resolved exclusively by arbitration.
- Each party will select and pay for a competent arbitrator. The arbitrators will select a third person to settle any differences. If they cannot agree on the selection of a third arbitrator within 30 days, either party may request that selection be made by a judge of a court having jurisdiction. Arbitration will take place in the county where the insured party lives, unless both parties agree otherwise. Local rules of law regarding procedure and evidence will apply. If both parties have agreed to binding arbitration, a written agreement by two of the arbitrators will be binding on the parties as to whether an “insured” is legally entitled to recover damages under this coverage and the amount of these damages. Each party will pay the expenses it incurs and share the expenses of the third arbitrator equally.

C. **Section V – General Conditions** is modified as follows:

1. Paragraph **I. Other Insurance** is deleted in its entirety and replaced by the following:

**I. Other Insurance**

If other valid insurance covers the same loss, “we” will pay only “our” share of the loss. “Our” share is the part(s) that the limit of coverage in this policy bears to the total of all applicable limits of coverages available.

2. Paragraph **K. Cancellation** is deleted in its entirety and replaced by the following:

**K. Cancellation**

1. The “policyholder” may cancel this policy at any time by providing “us” with written notification. Upon receipt of such notice, “we” will cancel this policy effective on the later of the following:
  - a. 90 days after the date on which notice is received; or
  - b. The date of cancellation requested by the “policyholder”.
2. “We” may cancel this policy by mailing or delivering to the “policyholder” written notice of cancellation, including the actual reason for the cancellation, to the last mailing address known to “us”, at least 90 days before the effective date of cancellation.
3. “We” shall provide notification to “boat owners” eligible for coverage under this policy at the time of cancellation that they will no longer be eligible for coverage under this policy as of the cancellation date.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is canceled, “we” will send the “policyholder” any premium refund due. The refund will be pro rata.  
  
The cancellation will be effective even if “we” have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

3. Paragraph **M. Fraud And Concealment** is deleted in its entirety and replaced with the following:

**M. Fraud And Concealment**

There is no coverage from the beginning of this policy if the “policyholder”, the “boat owner”, the “renter” or a paid captain has intentionally omitted, concealed, misrepresented, sworn falsely, or attempted fraud in reference to any matter relating to this insurance before or after any loss.

4. Paragraph **O. Controlling Law** is deleted in its entirety and replaced with the following:

**O. Controlling Law**

This policy is to be construed under federal admiralty law. In the absence of controlling federal admiralty law, this policy is to be construed under the law of the State of Washington without regard for its principles governing conflicts of laws.

5. Paragraph **P. Legal Action Against Us** is deleted in its entirety and replaced with the following:

**P. Legal Action Against Us**

No legal action may be brought against “us” unless there has been full compliance with all terms of this policy. With respect to any claim or loss to the “insured boat”, the action must begin within two years of the date of loss or damage. With respect to any other claim or loss, no legal action may be brought against “us” until “we” agree in writing that any “insured” as defined anywhere in this policy has an obligation to pay a specified amount, or until the amount of that obligation has been finally determined by judgment after trial. No one has a right under this policy to bring “us” into any action to determine the liability of an “insured”. If any time limitations of this policy are prohibited or invalid under applicable law, then legal action against “us” must begin within the shortest limitation of time permitted by such law.

6. The following is added:

**Nonrenewal**

"We" may elect not to renew this policy by mailing or delivering written notice of nonrenewal, stating the reasons for nonrenewal, to the "policyholder" at the last mailing address known to "us". "We" will mail or deliver this notice at least 90 days before the expiration date of the policy.

"We" shall also provide notification to "boat owners" eligible for coverage under this policy at the time of nonrenewal that they will no longer be eligible for coverage under this policy as of the expiration date of the policy.

Otherwise, "we" will renew this policy unless other coverage acceptable to the "policyholder" has been procured prior to the expiration date of the policy.

**THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED FOR RENTALS OCCURRING IN THE STATE OF FLORIDA. PLEASE READ IT CAREFULLY.**

## **FLORIDA BOATING LIABILITY (PROTECTION AND INDEMNITY) INCREASED LIMIT**

By addition of this Endorsement, the Boating Liability (Protection & Indemnity) Liability Limit per Person, Each Accident, Bodily Injury and Property Damage limit shown on the Declarations Page is increased to \$500,000. The Aggregate Limit Each Accident is \$1,000,000.

All other terms, conditions and agreements of the Marine Insurance Policy remain unchanged.