

October 2003

To Our Personal Lines Producers:

This is a revised edition of the **Masterpiece Yacht** policy, effective October 24, 2003. We recommend that you refer to the previous Yacht policy for one year as a reference for inforce policies.

We introduced the following coverages:

**Physical Damage Coverage**

Extra Physical Damage Coverages:

- . Precautionary measures

**Liability Coverage**

Extra Liability Coverages:

- . Marine environmental damage
- . Search and rescue

We introduced:

**Liability Coverage**

- . Deductible definition

**Liability Conditions**

- . Examination

**Exclusions**

- . Employees
- . Chemical weapons and cyber attacks
- . Fungi and mold
- . Neglect
- . Confiscation
- . Your other watercraft

**General Conditions**

- . Application of coverage
- . Conforming to trade sanction laws

This guide reflects changes which affect the following coverages:

**Agreement**

**Definitions**

- . Policy
- . Coverage Summary
- . Watercraft
- . Navigational limits

## **Physical Damage Coverage**

- . Introductory paragraph
- Payment for a Loss:
- . Deductible
  - . Payment basis
  - . Our options
- Extra Physical Damage Coverages:
- . Personal effects
  - . Fishing tackle
  - . Loss expense
  - . Additional living expense
  - . Trailers
  - . Emergency towing and service
  - . Temporary substitute watercraft
- Physical Damage Conditions:
- . Your duties after a loss:
    - . Protect property
    - . Prepare an inventory
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  - . Condition and value survey (previously named Appraisals)
  - . Loss payee

## **Liability Coverage**

- . Introductory paragraph
- Payment for a Loss:
- . Amount of coverage
- Extra Liability Coverages:
- . Medical payments
  - . Wreck removal (previously named Wreckage removal)
  - . Operating other watercraft
  - . Newly acquired watercraft
  - . Temporary substitute watercraft

## **Uninsured Boaters Protection**

- . Introductory paragraph
- Payment for a Loss:
- . Amount of coverage
- Uninsured Boaters Protection

## **Exclusions**

- . Intentional acts
- . Illegal acts (previously named Illegal activity)
- . Racing
- . Acts of war
- . Nuclear or radiation hazard
- . Nonpermissive use

- . Misappropriation
- . Gradual or sudden loss
- . Covered person's or dependent's bodily injury (previously named Covered person's or dependent's personal injury)
- . Special exclusion for Uninsured Boaters Protection (previously located in the Uninsured Boaters Protection provision)

**General Conditions**

- . Carrier and bailees
- . Liberalization
- . Legal action against us
- . Nonrenewal

**Policy Information Notice**

Please contact your Personal Lines Yacht underwriter if you have any questions about this revised policy.

Chubb & Son, a division of Federal Insurance Company  
Chubb Personal Insurance

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## **INTRODUCTION**

This is your Chubb Masterpiece Yacht Policy. Together with your Coverage Summary, it explains your coverages and other conditions of your insurance in detail.

This policy is a contract between you and us. **READ YOUR POLICY CAREFULLY** and keep it in a safe place.

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## **AGREEMENT**

We agree to provide the insurance described in this policy in return for your premium, compliance with the policy conditions, and adherence to representations described in all correspondence, documentation, or information provided by you to us or our producer.

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## **DEFINITIONS**

In this policy, we use words in their plain English meaning. Words with special meanings are defined in the part of the policy where they are used. The few defined terms used throughout the policy are defined here:

**You** means an entity or a person named in the Coverage Summary, and a spouse who lives with that person.

**We** and **us** mean the insurance company named in the Coverage Summary.

**Policy** means your Masterpiece Yacht Policy, including the Coverage Summary and Loss Payee's Coverage Summary.

**Coverage Summary** means the most recent Coverage Summary we issued to you, including any subsequent Coverage Updates and Special Provisions.

**Watercraft** means any vessel you own, for which an amount of physical damage or liability coverage is shown in the Coverage Summary, its hull, sails, machinery, furniture, tenders carried on board and used only to service it, and equipment used for its operation and routine maintenance which would normally be included with the watercraft when sold. However, tenders does not mean a personal watercraft.

"Personal watercraft" means any motorized vessel designed to be operated by a person sitting, standing, or kneeling on it rather than within the confines of a hull.

**Navigational limits** mean:

- . the Atlantic and Gulf coastal/tidal waters from Eastport, Maine, to Brownsville, Texas;
- . the coastal/tidal waters of the Bahamas;
- . the Pacific coastal/tidal waters from Malcolm Island, British Columbia, to Cabo San Quintin, Mexico;
- . the Pacific coastal/tidal waters from Malcolm Island, British Columbia to Cape Spencer, Alaska between May 1st and October 1st, both days inclusive; and
- . the inland waters of the continental United States and Canada, including the Great Lakes.

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## **DEFINITIONS**

(continued)

**Covered person** means:

- you or a family member; or
- any person including a captain or a full time paid crew member using your watercraft with permission from you or a family member. This does not include any person operating or employed by a marina, boat repair yard, shipyard, yacht club, sales agency, boat service station, or other similar organization.

**Family member** means your relative who lives with you, or any other person under 25 in your care or your relative's care who lives with you.

**Occurrence** means a loss or accident to which this insurance applies occurring within the policy period. Continuous or repeated exposure to substantially the same general conditions unless excluded is considered to be one occurrence.

**Damages** means the sum that is paid or is payable to satisfy a claim settled by us or resolved by judicial procedure or by a compromise we agree to in writing.

**Bodily injury** means physical bodily harm, including sickness or disease that results from it, and required care, loss of services, and resulting death.

**Property damage** means physical injury to or destruction of tangible property. Tangible property does not include money, notes, credits, bank deposits, stocks, bonds, deeds, mortgages, or other instruments of a similar nature.

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## **PHYSICAL DAMAGE COVERAGE**

This part of your Yacht Policy provides you with coverage against all risk of physical loss to your watercraft unless stated otherwise or an exclusion applies. This coverage applies to a loss occurring on land or within the navigational limits covered by this policy, except where prohibited by law. Exclusions to this coverage are described in **Exclusions**.

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## **Payment for a Loss**

### **Amount of coverage**

The amount of coverage for physical damage for your watercraft is shown in the Coverage Summary.

### **Deductible**

A deductible is that amount we will subtract from the amount of a covered loss we pay. Either the physical damage deductible shown in the Coverage Summary or one of the special deductibles applies to each occurrence, unless stated otherwise. The physical damage deductible shown in the Coverage Summary applies to each occurrence. We will waive the physical damage deductible shown in the Coverage Summary if:

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## **Payment for a Loss**

(continued)

- . a total loss occurs, except for a total loss subject to a special deductible; or
- . a partial loss occurs which is caused in whole or in part by another vessel liable for the damage.

The tender to your watercraft is not subject to a deductible.

For each occurrence only to the electronic navigational equipment for your watercraft, a \$250 deductible applies. Electronic navigational equipment does not include electronic engine management systems equipment.

### **Payment basis**

For a covered loss to your watercraft, we will pay as follows:

**Total loss.** If your watercraft:

- . is totally destroyed or lost;
- . is three years of age or less; and
- . has an amount of physical damage coverage shown in the Coverage Summary of less than \$1,000,000,  
we will pay the replacement cost, even if this amount is greater than the amount of physical damage coverage shown in the Coverage Summary. If your watercraft is totally destroyed or lost, and is greater than three years of age or has an amount of physical damage coverage shown in the Coverage Summary of \$1,000,000 or greater, we will pay the amount of physical damage coverage shown in the Coverage Summary.

We will reduce our payment by any amount paid for a previous loss to the watercraft if the damage was not repaired. If you choose not to replace your watercraft, we will only pay up to the amount of physical damage coverage.

A watercraft is considered totally destroyed when the reasonable expense of recovering and repairing it is equal to or greater than the amount of physical damage coverage. A watercraft is considered lost when it is not found within 30 days.

"Replacement cost" means the amount required at the time of loss to replace your watercraft with a watercraft of like design, and materials and workmanship of comparable kind and quality which existed at the time of loss.

**Partial loss.** If the watercraft is partially damaged, we will pay the reasonable cost to repair or replace your watercraft with like kind and quality, without deducting for depreciation, up to the amount of physical damage coverage shown in the Coverage Summary. However, we will not pay more than the actual cash value at the time of loss for outboard motors, sails, and protective covers of fabric or similar materials older than three years of age.

### **Our options**

When we pay for a total loss, we reserve the right to keep the remains of the watercraft or its proceeds.

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## ***Extra Physical Damage Coverages***

In addition to covering the physical loss to your watercraft, we also provide other related coverages. These coverages are in addition to the amount of physical damage coverage for your watercraft unless stated otherwise or an exclusion applies. All deductibles apply to Extra Physical Damage Coverages unless stated otherwise. Exclusions to these coverages are described in **Exclusions**.

### **Personal effects**

We cover your personal effects and those of your guests and crew while they are on board your watercraft. But we do not cover any loss caused by changes in temperature or humidity or if such personal effects are lost or misplaced.

We will pay the reasonable cost to repair or replace covered personal effects with like kind and quality, up to a total of 10% of the amount of physical damage coverage for your watercraft, or \$25,000, whichever is less, for each occurrence. There is no deductible for this coverage.

"Personal effects" means sports equipment, clothing, computer hardware kept and used exclusively on board your watercraft for your own personal use, and other personal property. It does not include legal tender, bank notes, stored value cards, bullion, gold, silver, platinum, tokens, checks, credit, debit or bank cards, valuable papers, passports, jewelry, watches, furs, fine arts, fishing tackle, or firearms.

### **Fishing tackle**

We cover your fishing tackle and that of your guests and crew while they are on board your watercraft. But we do not cover any loss if such fishing tackle is lost or misplaced. We will pay up to a total of \$10,000 for the reasonable cost to repair or replace fishing tackle with like kind and quality. A \$250 deductible applies.

### **Precautionary measures**

We will pay up to \$1,500 for the reasonable costs you incur to move your watercraft because your watercraft is endangered by a covered peril. There is no deductible for this coverage.

### **Loss expense**

After a covered loss, we will pay up to 100% of the amount of physical damage coverage for all reasonable salvage expense charges you are obligated to pay and the necessary temporary precautionary repairs made solely to protect your watercraft from further covered damage.

### **Additional living expense**

We will pay up to \$1,500 for any reasonable additional living expenses you may incur in minimizing a covered loss and preventing further loss or damage. There is no deductible for this coverage.

### **Trailers**

We cover your trailer used with your watercraft. For a covered loss to this trailer, we will pay the amount required to repair or replace it, up to its cost new or \$5,000, whichever is less. A \$250 deductible applies.

### **Emergency towing and service**

We will pay up to the amount of physical damage coverage for all reasonable costs incurred by you for the following emergency towing and service to your watercraft and its trailer:

- towing it to the nearest marina, service station or other location where repairs can be made;

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## ***Extra Physical Damage Coverages***

(continued)

- . delivery of necessary fuel or repair parts excluding the cost of the delivered items; and
- . the cost of labor done at the site of breakdown.

This coverage applies only if your watercraft or trailer is disabled for any reason other than a covered loss. There is no deductible for this coverage.

### **Newly acquired watercraft**

We cover any watercraft you acquire during the policy period up to its verifiable purchase price or actual cash value, whichever is less, for up to 30 days after you acquire it. But you must request coverage for the newly acquired watercraft within the 30 days after you acquire it, we must agree to insure it, and you must pay the premium from the date acquired. Our payment is subject to a \$500 deductible.

### **Temporary substitute watercraft**

If your watercraft is out of normal use because of a covered loss and has not been repaired within 10 days from the date of loss, we will pay up to a total of \$1,500 to charter a temporary substitute watercraft for up to seven days. The temporary substitute watercraft must be of similar type and of equal or lesser value and length. But we do not cover temporary substitute watercraft if:

- . the covered loss resulted in a total loss of your watercraft; or
- . the temporary substitute watercraft is being used for any purpose other than replacing your watercraft while it is out of normal use.

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## ***Physical Damage Conditions***

These conditions apply to all coverage for damage to property.

### **Your duties after a loss**

If you have a loss this policy may cover, you must perform these duties:

**Notification.** You must immediately notify us or your agent of your loss. In case of theft or accident, you must also notify the police or similar competent authority.

**Protect property.** You must take all reasonable means that are necessary to protect property from further loss or damage.

**Prepare an inventory.** At our request you must prepare and submit to us within 30 days of our request an itemized or valued inventory of damaged property, describing the loss in full. It should show in detail the amount insured under this policy and actual amount of the loss. Attach bills, receipts, and other documents to support your inventory.

**Display of loss.** You must show us the damaged property when we ask.

**Proof of loss.** At our request you must submit to us your signed sworn proof of loss on a form we have sent to you.

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## **Physical Damage Conditions**

(continued)

**Examination under oath.** We have the right to examine separately under oath, as often as we may reasonably require, you, family members, captain or full time paid crew members, other members of your household, anyone using your watercraft with your permission, and anyone related to you with knowledge of the loss, and have them subscribe the same. We may also ask you to give us a signed description of the circumstances surrounding a loss and your interest in it, and to produce all records and documents we request and permit us to make copies.

### **Insurable interest**

We will not pay for any loss to your watercraft unless you or a family member has an insurable interest at the time of the loss.

If more than one person has an insurable interest in your watercraft, we will not pay for an amount greater than your interest, up to the amount of coverage that applies.

### **Abandoning property**

You cannot abandon any property to us unless we agree to accept it, or to a third party unless we agree.

### **Condition and value survey**

If you or we fail to agree on the amount of loss, you or we may demand a condition and value survey. You and we will agree on the selection of a licensed, independent marine surveyor in order to reach a mutual agreement. You and we will share the expenses incurred equally, and every effort will be made to reach an agreement within a reasonable time. However, we do not waive our rights under this policy by agreeing to a condition and value survey.

### **Loss payee**

If a loss payee is named in this policy, any loss payable will be paid to the loss payee and you, as interests appear. If more than one loss payee is named, the order of payment will be the same as the order of precedence of the loss payees. We cover the interests of the loss payee, unless the loss results from fraudulent acts or omissions on your part.

If we deny your claim, that denial will not apply to a valid claim of the loss payee, provided that the loss payee:

- notifies us of any change in ownership or substantial change in risk of which the loss payee is aware;
- pays any premium due under this policy on demand if you have neglected to pay the premium; and
- submits a signed sworn statement of loss within 60 days after receiving notice from us of your failure to do so.

Policy conditions relating to a condition and value survey, legal action against us, and payment of property claims apply to the loss payee. If the policy is cancelled or not renewed by us, the loss payee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.

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## ***Physical Damage Conditions***

(continued)

If we pay the loss payee for any loss and deny payment to you, then:

- our rights are subrogated to all rights of the loss payee granted under the loan on the property; or
- at our option, we may pay to the loss payee the whole principal on the loan plus any accrued interest. In this event, we will receive a full assignment and transfer from the loss payee and all securities held as collateral to the debt.

Subrogation will not impair the right of the loss payee to recover the full amount of the loss payee's claim.

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## ***LIABILITY COVERAGE***

This part of your Yacht Policy provides you with coverage for damages a covered person is legally obligated to pay for bodily injury or property damage resulting from a boating accident, which takes place anytime during the policy period and is caused by an occurrence unless stated otherwise or an exclusion applies. This coverage applies to damages occurring on land or within the navigational limits covered in this policy, except where prohibited by law.

We also provide you with coverage required by the:

- Federal Jones Act, and for sums payable for wages, maintenance and cure under General Maritime Law; and
- Federal Longshore and Harbor Workers' Compensation Act.

Exclusions to this coverage are described in **Exclusions**.

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## ***Payment for a Loss***

### **Amount of coverage**

The amount of coverage for liability is shown in the Coverage Summary. This is the maximum amount of coverage for liability available for any one occurrence regardless of the number of watercraft covered under this policy. We will not pay more than that amount for covered damages from any one occurrence, regardless of how many claims, policies, watercraft, vessels, or people are involved in the occurrence.

Any costs we pay for legal expenses (see **Defense Coverages**) are in addition to the amount of coverage.

### **Deductible**

A deductible is that amount we will subtract from the amount of covered damages we pay. No deductible applies to each occurrence, unless stated otherwise.

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## **Defense Coverages**

We will defend a covered person against any suit seeking covered damages for bodily injury or property damage. We provide this defense at our own expense, with counsel of our choice, even if the suit is groundless, false, or fraudulent. We may investigate, negotiate, and settle any such claim or suit at our discretion.

As part of our investigation, defense, negotiation, or settlement we will pay:

- . all premiums on appeal bonds required in any suit we defend;
- . all premiums on bonds to release attachments for any amount up to the amount of coverage for liability (but we are not obligated to apply for or furnish any bond);
- . all expenses incurred by us;
- . all costs taxed against a covered person;
- . all interest accruing after a judgement is entered in a suit we defend, on only that part of the judgement we are responsible for paying. We will not pay interest accruing after we have paid the judgement up to the amount of coverage;
- . all prejudgement interest awarded against a covered person on that part of the judgement we pay or offer to pay. We will not pay any prejudgement interest based on that period of time after we make an offer to pay the amount of coverage;
- . all earnings lost by each covered person at our request, up to \$250 a day, to a total of \$10,000;
- . other reasonable expenses incurred by a covered person at our request; and
- . the cost of bail bonds required of a covered person because of a covered loss.

In jurisdictions where we may be prevented by local law from carrying out these Defense Coverages, we will pay only those defense expenses that we agree in writing to pay and that are incurred by you.

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## **Extra Liability Coverages**

In addition to covering damages and defense costs, we also provide other related coverages. These coverages are in addition to the amount of coverage for damages and defense costs unless stated otherwise or an exclusion applies. Exclusions to these coverages are described in **Exclusions**.

### **Medical payments**

We will pay the necessary medical expenses, up to a total of \$25,000 for each occurrence, for bodily injury from a boating accident. These expenses must be incurred or medically ascertained within three years of the accident.

"Medical expenses" includes reasonable charges for first aid, medical, funeral, surgical, x-ray, dental, ambulance, hospital, rehabilitation, professional nursing services, and prosthetic devices.

### **Wreck removal**

We will pay up to 100% of the amount of coverage for liability to cover the reasonable costs to raise, remove, or destroy the wreck of your watercraft, if you are legally required to do so.

### **Operating other watercraft**

We cover damages you are legally obligated to pay for bodily injury caused by an occurrence during the policy period resulting from your use of a watercraft which is neither owned nor chartered by you or a family member unless stated otherwise or an exclusion applies. These payments do not increase the amount of liability coverage.

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## **Extra Liability Coverages**

(continued)

We also cover damages you are legally obligated to pay for property damage caused by an occurrence during the policy period resulting from your use of a watercraft which is neither owned nor chartered by you or a family member and its equipment up to \$50,000, subject to a \$500 deductible, unless stated otherwise or an exclusion applies.

### **Newly acquired watercraft**

We cover damages a covered person is legally obligated to pay for bodily injury or property damage caused by an occurrence resulting from the ownership, maintenance or use of any watercraft you acquire during the policy period for up to 30 days after you acquire it, unless stated otherwise or an exclusion applies. These payments do not increase the amount of liability coverage. You must request coverage for the newly acquired watercraft within the 30 days after you acquire it, we must agree to insure it, and you must pay the premium from the date acquired.

### **Temporary substitute watercraft**

If your watercraft is out of normal use because of a covered loss and has not been repaired within 10 days from the date of loss, we cover damages a covered person is legally obligated to pay for bodily injury or property damage arising from the maintenance or use of the temporary substitute watercraft while your watercraft is being repaired, for up to seven days. The temporary substitute watercraft must be of similar type and of equal or lesser value and length. But we do not cover any person for the maintenance or use of a temporary substitute watercraft if:

- the covered loss resulted in a total loss to your watercraft; or
- the temporary substitute watercraft is being used for any purpose other than replacing your watercraft while it is out of normal use.

These payments do not increase the amount of liability coverage.

### **Marine environmental damage**

We cover damages a covered person is legally obligated to pay, up to \$10,000, for marine environmental damage.

"Marine environmental damage" means the physical injury to or the alteration or destruction of coastal or marine habitat through physical contact with your watercraft.

### **Search and rescue**

We will pay up to \$10,000 for the reasonable expenses incurred by you or a family member for a search and rescue operation in the event any person is lost at sea from your watercraft.

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## **Liability Conditions**

These conditions apply to all liability coverages in the policy.

### **Your duties after a loss**

In case of a loss, the covered person shall perform the following duties that apply:

**Notification.** You must notify us or your agent as soon as possible.

**Assistance.** You must provide us with all available information. This includes any suit papers or other documents which help us in the event that we defend you.

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## **Liability Conditions**

(continued)

**Cooperation.** You must cooperate with us fully in any legal defense. This may include any association by us with the covered person in defense of a claim reasonably likely to involve us.

**Examination.** We have the right to examine separately under oath, as often as we may reasonably require, you, family members, captain or full time paid crew members, other members of your household, anyone using your watercraft with your permission, and anyone related to you with knowledge of the occurrence, and have them subscribe the same. We may also ask you to give us a signed description of the circumstances surrounding the occurrence, and to produce all records and documents we request and permit us to make copies.

A person making a claim under any liability coverage in this policy must:

- . submit as often as we reasonably require:
  - . to physical exams by physicians we select, which we will pay for; and
  - . to examination under oath and subscribe the same; and
- . authorize us to obtain:
  - . medical reports; and
  - . other pertinent records.

### **Application of coverage**

Liability coverage applies separately to each covered person. However, this provision does not increase the amount of coverage for any one occurrence.

### **Appeals**

If a covered person, or any primary insurer, does not appeal a judgement for covered damages, we may choose to do so. We will then become responsible for all expenses, taxable costs, and interest arising out of the appeal. However, the amount of coverage for damages will not be increased.

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## **SPECIAL COVERAGES**

This part of your Yacht Policy describes Special Coverages which only apply if shown in the Coverage Summary. These Special Coverages apply to liability and physical damage coverages shown in the Coverage Summary.

### **Navigational limits extension**

If Navigational limits extension is shown in the Coverage Summary, the navigational limits, defined in the Definitions are extended to include the coastal/tidal waters of:

- . Newfoundland Island;
- . Bermuda;
- . the Dominican Republic;
- . Puerto Rico;
- . the Windward and Leeward Islands of the Caribbean, but not south of Grenada;
- . Alaska; and
- . Baja California, Mexico.

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## **SPECIAL COVERAGES**

(continued)

### **Port risk coverage**

If Port risk coverage is shown in the Coverage Summary, you agree that your watercraft is only covered while it:

- . is laid-up, out of commission and stored in a safe area;
- . is not navigated at any time during the policy term; and
- . is not used as a residence.

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## **UNINSURED BOATERS PROTECTION**

This part of your Yacht Policy provides you with coverage you are legally entitled to receive from the owner or operator of an uninsured vessel unless stated otherwise or an exclusion applies.

This coverage applies to a loss occurring within the navigational limits covered by this policy.

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## **Payment for a Loss**

### **Amount of coverage**

The amount of uninsured boaters protection is the amount of liability coverage shown in the Coverage Summary or \$500,000, whichever is less. This is the maximum amount of coverage available for any one occurrence regardless of the number of watercraft covered under this policy. We will not pay more than this amount for covered damages from any one occurrence regardless of how many claims, policies, watercraft, vessels or people are involved in the occurrence.

### **Duplication of benefits**

We will not duplicate any payments already made under workers' compensation, disability benefits, Federal Jones Act, Federal Longshore and Harbor Workers' Compensation Act, General Maritime Law or similar law. We will deduct our payments under this coverage from any payment the covered person is entitled to recover under this policy. No one will be entitled to recover duplicate payments for the same elements of loss.

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## **Uninsured Boaters Protection**

We will pay to a covered person damages for bodily injury sustained while on board your watercraft that the covered person is legally entitled to receive from the owner or operator of an uninsured vessel. We cover these damages for bodily injury resulting from a boating accident unless stated otherwise or an exclusion applies. However, no judgement for damages arising out of a suit brought against the owner or operator of an uninsured vessel is binding unless we receive notice that the suit was pending. Exclusions to this coverage are described in **Exclusions**.

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## ***Uninsured Boaters Protection***

(continued)

"Uninsured vessel" means a vessel that:

- . has no bodily injury liability policy applying at the time of the accident;
- . has a limit of liability less than the limits provided under this policy;
- . is a hit-and-run vessel whose owner or operator cannot be identified, and that causes, by physical contact with your watercraft, an accident resulting in bodily injury to you or a family member; or
- . has a bodily injury liability policy with an insurance company that denies coverage or becomes insolvent.

However, "uninsured vessel" does **not** include any vessel that is:

- . owned by, furnished to, or available for a covered person's regular use; or
- . being used as a residence or premises.

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## ***EXCLUSIONS***

These exclusions apply to your Yacht Policy, including Special Coverages, unless stated otherwise.

The words "caused by" mean any loss that is contributed to, made worse by, or in any way results from that peril.

**Intentional acts.** We do not cover any loss caused intentionally by:

- . a covered person;
- . a person who lives with you; or
- . an employee of an entity named in the Coverage Summary.

But we do provide coverage for you or a family member who is not directly or indirectly responsible for causing the intentional loss.

We also do not cover any damages arising out of an act intended by any covered person to cause personal injury or property damage, even if the injury or damage is of a different degree or type than actually intended or expected. But we do cover such damages if the act was intended to protect people or property unless another exclusion applies.

An intentional act is one whose consequences could have been foreseen by a reasonable person.

**Employees.** We do not cover any employee of an entity named in the Coverage Summary for damages arising out of activities other than the ownership, maintenance, use, towing, loading or unloading of a watercraft.

**Illegal acts.** We do not cover any loss or damages that arise from an illegal act by a covered person. But we do provide coverage for you or a family member who is not directly or indirectly involved in the illegal act.

**Charter, commercial use or exhibition.** We do not cover any loss to your watercraft or damages that result while your watercraft is being used for charter, commercial use or exhibition, unless we agree in advance to such use in writing. Recreational entertaining of business clients on your watercraft is not considered charter or commercial use.

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## **EXCLUSIONS**

(continued)

**Racing.** We do not cover any loss that occurs or damages that result arising out of the ownership, maintenance or use of your watercraft during any instruction, practice, preparation for, or participation in, any competitive, prearranged or organized racing, speed test or speed contest, sports event or timed event of any kind, except sailboat races or predicted log contests.

**Para-sailing or kite-skiing.** We do not cover any loss that occurs or damages that result while your watercraft is being used for para-sailing or kite-skiing.

**Acts of war.** We do not cover any loss or damage caused by war, undeclared war, civil war, insurrection, rebellion, revolution, warlike acts by a military force or personnel, any action taken in hindering or defending against any of these, the destruction or seizure of property for a military purpose, or any consequences of any of these acts regardless of any other direct or indirect cause or event, whether covered or not, contributing in any sequence to the loss or damage.

**Nuclear or radiation hazard.** We do not cover any loss or damage caused by nuclear reaction, radiation, or radioactive contamination, whether controlled or uncontrolled, or any consequence of any of these, regardless of any other direct or indirect cause or event, whether covered or not, contributing in any sequence to the loss or damage.

**Chemical weapons and cyber attacks.** We do not cover any loss or damage caused by the use or threatened use of:

- . any chemical, biological, bio-chemical, or electromagnetic weapon, device, agent or material; or
- . any computer, computer system, software program, virus or process, or any other electronic system,

as a means for inflicting harm, or the consequence of any of these, regardless of any other direct or indirect cause or event, whether covered or not, contributing in any sequence to the loss or damage. We also do not cover any loss or damage caused by any action taken in hindering or defending against the use or threatened use of any of these.

**Nonpermissive use.** We do not cover any person who uses your watercraft without permission from a covered person.

**Misappropriation.** We do not cover any loss caused by the taking or other misappropriation of property by or directed by a person or entity named in the Coverage Summary, that person's spouse, a family member, or a person who lives with you. This exclusion does not apply to the taking or other misappropriation of property by your captain, crew, or guests, unless the misappropriation was directed by a person or entity named in the Coverage Summary, that person's spouse, a family member, or a person who lives with you.

**Ocean cargo transit.** We do not cover any loss to your watercraft that results while your watercraft is being loaded, unloaded or transported aboard a cargo vessel.

**Gradual or sudden loss.** We do not provide coverage for the presence of wear and tear, marine life, gradual deterioration, electrolysis, lack of maintenance, fiberglass osmosis or blistering, however caused, or any loss caused by wear and tear, marine life, gradual deterioration, electrolysis, lack of maintenance, fiberglass osmosis, or blistering.

**Reference Copy**

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## **EXCLUSIONS**

(continued)

**Fungi and mold.** We do not provide coverage for the presence of mold, however caused, or any loss caused by mold. We also do not cover any actual or alleged damages arising out of mold, the fear of mold, or any consequences resulting from mold or the fear of mold. "Mold" means fungi, mold, mold spores, mycotoxins, and the scents and other byproducts of any of these.

**Neglect.** We do not cover any loss caused by your failure to use all reasonable means to protect property before, at, or after the time of a loss.

**Confiscation.** We do not cover any loss caused by the confiscation, destruction, or seizure of property by any government or public authority.

**Provisions.** We do not cover any loss to the provisions of your watercraft.

**Workers' compensation or disability.** We do not cover any damages a covered person is legally obligated to provide under any workers' compensation, disability benefits, unemployment compensation or similar law.

**Fines.** We do not cover any fines.

**Contractual liability.** We do not cover any covered person for damages for any liability assumed under any oral or written contract or agreement.

**Lost wages.** We do not cover any loss of crew wages, except as provided under Federal Jones Act and General Maritime Law.

**Covered person's or dependent's bodily injury.** We do not cover any damages for bodily injury for any covered person or his or her dependents where the ultimate beneficiary is the offending party or defendant. We also do not cover any damages for bodily injury for which a person or entity named in the Coverage Summary or a family member can be held legally liable, in any way, to a spouse, a family member, a person who lives with you, or a person or entity named in the Coverage Summary. We also do not cover any damages for bodily injury for which a spouse, a family member, a person who lives with you, or a person or entity named in the Coverage Summary can be held legally liable, in any way, to you or a family member.

**Special exclusion for Uninsured Boaters Protection.** We do not cover any person for bodily injury sustained while occupying, or when struck by, a vessel owned by you or a family member that is not covered under this policy.

**Aircraft.** We do not cover any loss or damage arising out of the ownership, maintenance, use, transporting or towing of any aircraft.

**Claims settled without our consent.** We do not cover any claim settled with a third party without our written consent. Nor do we cover any judgement for a suit brought without our written consent.

**Your other watercraft.** We do not cover any person for damages arising out of the ownership, maintenance, use, loading, unloading, transporting, or towing of any watercraft owned by you or a family member that is not covered under this policy.

**Reference Copy**

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## **EXCLUSIONS**

(continued)

**Motorized land vehicles.** We do not cover any loss or damage arising out of the ownership, maintenance, use, loading, unloading, transporting or towing of any motorized land vehicle.

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## **GENERAL CONDITIONS**

This part of your Yacht Policy explains the conditions that apply to your policy in general, and to each coverage in it.

### **Policy period**

The effective dates of your policy are shown in the Coverage Summary. Those dates begin at 12:01 a.m. standard time at the mailing address shown. Each renewal period shall be for a similar term.

All coverages on this policy apply only to occurrences that take place while this policy is in effect.

### **Renewals**

We or our agent may offer to renew this policy, at the premiums and under the policy provisions in effect at the date of renewal. We can do this by mailing you a bill for the premium to the address shown in the Coverage Summary, along with any changes in the policy provisions or amounts of coverage. You may accept our offer by paying the required premium on or before the starting date of each renewal period.

### **Transfer of rights**

If we make a payment under this policy, we will assume any recovery rights a covered person has in connection with that loss, to the extent we have paid for the loss.

All of your rights of recovery will become our rights to the extent of any payment we make under this policy. A covered person will do everything necessary to secure such rights, and do nothing after a loss to prejudice such rights. However, you may waive any rights of recovery from another person or organization for a covered loss in writing before the loss occurs.

### **Concealment or fraud**

This policy is void if you or any covered person has intentionally concealed or misrepresented any material fact relating to this policy before or after a loss.

### **Carrier and bailees**

We will not make any payments under this policy to the benefit of any carrier or other bailee of damaged or lost property.

### **Assignment**

You cannot transfer your interest in this policy to anyone else unless we agree in writing to the transfer.

**Reference Copy**

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## **GENERAL CONDITIONS**

(continued)

### **Application of coverage**

Coverage applies separately to each covered person. However, this provision does not increase the amount of coverage for any one occurrence.

### **Duplicate coverages**

If a loss is covered under more than one part of this policy, we will pay you under the part giving you the most coverage, but not under more than one part. In no event will we make duplicate payments.

### **Policy changes**

This policy can be changed only by a written amendment we issue.

### **Bankruptcy or insolvency**

We will meet all our obligations under this policy regardless of whether you, your estate, or anyone else or his or her estate becomes bankrupt or insolvent.

### **In case of death**

In the event of your death, we cover your legal representative or any person having proper temporary custody of your watercraft until a legal representative is appointed and qualified. We will also cover any member of your household who is a covered person at the time of death.

### **Liberalization**

We may extend or broaden the insurance provided by this policy. If we do this during the policy period or within 60 days before it begins, without increasing the premium, then the extended or broadened coverage will apply to occurrences after the effective date of the extended or broadened coverage.

### **Conforming to state law**

If any provision of this policy conflicts with the laws of the state you live in, this policy is amended to conform to those laws.

### **Conforming to trade sanction laws**

This policy does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance.

### **Other insurance**

When other insurance applies to a covered loss, we will pay only the portion of the loss that our amount of coverage bears to the total of all applicable amounts of coverage.

### **Legal action against us**

You agree not to bring legal action against us unless you have first complied with all conditions of this policy. For property, you also agree to bring any action against us within one year after a loss occurs, but not until 30 days after proof of loss has been submitted to us and the amount of loss has been determined. However, this one-year period is extended by the number of days between the date that proof of loss is submitted and the date the claim is denied in whole or in part.

**Reference Copy**

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## **GENERAL CONDITIONS**

(continued)

For liability, you also agree not to bring any action against us until the amount of damages you are legally obligated to pay has been finally determined after an actual trial or appeal, if any, or by a written agreement between you, us and the claimant. No person or organization has any right under this policy to bring us into any action to determine the liability of a covered person.

### **Nonrenewal**

If we decline to renew all or part of this policy, we will mail notice of nonrenewal to the mailing address shown in the Coverage Summary within the timeframes required by law with any nonrenewal reasons required by law, and we will obtain a certificate of mailing. A copy of the notice will also be sent to the last known loss payee named in this policy.

### **Your cancellation**

You may cancel this policy or any part of it at any time by returning it to us or notifying us in writing of the future date that the cancellation is to take effect.

### **Our cancellation**

We may cancel this policy or any part of it, subject to the following conditions. Our right to cancel applies to each coverage or limit in this policy.

**Within 60 days.** When this policy or any part of it has been in effect for less than 60 days, we may cancel it with 10 days notice for any reason.

**For more than 60 days.** When this policy or any part of it has been in effect for more than 60 days, we may cancel with 30 days notice for any reason.

**Nonpayment of premium.** We may cancel this policy or any part of it with 10 days notice if you fail to pay the premium by the due date, regardless of whether the premium is payable to us, to our agent, or under any finance or credit agreement.

**Liability coverage only.** If we cancel liability coverage in this policy, we will cancel the following coverages with 30 days notice:

- Federal Jones Act and related General Maritime Law; and
- Federal Longshore and Harbor Workers' Compensation Act.

### **Procedure**

To cancel this policy or any part of it, we must notify you in writing. This notice will be mailed to you at the mailing address shown in the Coverage Summary, and we will obtain a certificate of mailing. This notice will include the date the cancellation is to take effect.

### **Refund**

In the event of cancellation by you or by us, we will refund any unearned premium on the effective date of cancellation, or as soon as possible afterwards. The unearned premium will be computed pro rata, for the unexpired term for each part of the policy.

**Reference Copy**

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## Signatures

In Witness Whereof, the company issuing this policy has caused this policy to be signed by its authorized officers, but this policy shall not be valid unless also signed by a duly authorized representative of the company.

CHUBB INDEMNITY INSURANCE COMPANY  
CHUBB INSURANCE COMPANY OF NEW JERSEY  
CHUBB NATIONAL INSURANCE COMPANY  
FEDERAL INSURANCE COMPANY  
GREAT NORTHERN INSURANCE COMPANY  
VIGILANT INSURANCE COMPANY



President



Secretary

NORTHWESTERN PACIFIC INDEMNITY COMPANY



President



Secretary

PACIFIC INDEMNITY COMPANY



President



Secretary

Reference Copy

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## ***Policy Information Notice***

You have the right to review and correct or amend information we have. If you want to know more about this and how information may be disclosed without your prior authorization, please write to:

Chubb Personal Insurance  
Attention: Policy Information  
202 Halls Mill Road  
P.O. Box 1600  
Whitehouse Station, N.J. 08889-1600

Please include your policy number, policy period, and the name and address of your agent or broker.

If you need to report a claim and have been unable to contact your agent, broker or local Chubb Office, you can call this telephone number for further assistance:

1-800-252-4670

**Reference Copy**