

PROTECTION AND INDEMNITY COVERAGE FORM

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

Endorsements and schedules may also be part of this coverage form. They are identified on the Schedule of Forms and Endorsements.

Refer to the Definitions section for words that have specific meanings. These words are shown in quotation marks.

AGREEMENT

This form, subject to all of its terms, provides the described coverages during the policy period. In return, "you" must pay the required premium. Each coverage described in this form applies only if a "limit" is shown on the Declarations for that coverage.

By accepting this policy, "you" agree that the statements on the Declarations page and any application(s) are "your" agreements and representations. This policy is issued in reliance upon the truth of "your" representations during the application process and it includes all agreements existing between "you" and "us" or any of "our" representatives.

DEFINITIONS

1. "You" and "your" mean the person(s) or organization(s) named as the "insured" on the Declarations.
2. "We", "us" and "our" mean the Company providing this insurance.
3. "Boating equipment" means:
 - a. Portable boating accessories, including trolling "motors" and detachable equipment used in the operation or maintenance of a "vessel"; or
 - b. Equipment used in the navigation of the "vessel" which can be removed and which is not otherwise excluded under this policy. This includes handheld devices such as GPS units, and portable marine radios, sextants, radars and long range navigation systems (LORAN).
4. "Bodily injury" means bodily harm to a person and includes sickness, disease or death. However, "bodily injury" does not mean bodily harm, sickness, disease or death that arises out of mental or emotional injury, or any other injury that does not result from actual physical injury.
5. "Contaminant" means any petroleum product, chemical, lubricant, solvent or other harmful substance of any kind normally associated with the maintenance, use or operation of the "vessel" or "boating equipment".
6. "Electronic equipment" means electrically powered equipment permanently attached to a "vessel" and used for operation, navigation, or communication.
7. "Employee" includes a "Leased Worker", a "Temporary Worker" and a "Volunteer Worker".
8. "Insured" means:
 - a. "You" or any "relative"; or
 - b. Any "named operator", but only while performing duties related to the use, maintenance, or operation of the "vessel"; or
 - c. Any other person, firm, corporation or legal entity using the "vessel" with "your" permission, without charge.

"Insured" does not include a paid captain or any paid crew member of the "vessel". Nor does it include any person, firm, corporation or other legal entity or any of their agents or employees operating a shipyard, boat repair facility, marina, yacht club, sales agency, chartering agency, yacht broker, boat service station, salvor, towing service or similar organization.
9. "Lay – up" or "laid – up" means taking "your" "vessel" out of active service and decommissioning it for the period of time as shown in the Declarations. "Lay – up" or "laid – up" can include storage on land or afloat.
10. "Leased Worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Limit" means the amount of insurance that applies to the coverage as shown on the Declarations.
12. "Motor" means:
 - a. An outboard motor including its attached propeller and other components; or
 - b. An inboard engine including its attached transmission, drive shaft, propeller and other components; or
 - c. An inboard/outboard engine (stern drive) including its attached outdrive unit, propeller and other components; or
 - d. An inboard/jet drive engine including its attached jet drive components and other components.
13. "Named operator" means the operator whom "we" have approved and listed on the Declarations or by endorsement to the policy.
14. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions. All "bodily injury" or "property damage" arising out of an "occurrence" or series of related "occurrences" is deemed to take place at the time of the first such damage or injury even though the nature and extent of such damage or injury may change; and even though the damage may be continuous, progressive, cumulative, changing or evolving; and even though the "occurrence" causing such "property damage" may be continuous or repeated exposure to substantially the same general harmful conditions.
15. "Pollutants" means:
 - a. Any solid, liquid, gaseous, thermal, radioactive irritant or "contaminant", including but not limited to acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste; or
 - b. Electrical, magnetic, or electromagnetic particles or fields, whether visible or invisible or sound emissions
 Waste includes materials to be disposed of, as well as recycled, reclaimed, or reconditioned.
16. "Port risk" means the "vessel" is:
 - a. "Laid-up" at the mooring/storage location indicated on the Declarations; and
 - b. Not to be used for living on board or overnight accommodations; and
 - c. Not to be used for any purpose whatsoever, and
 - d. Not to be repaired or altered without prior approval of underwriters.
17. "Property damage" means:
 - a. Physical injury to or destruction of tangible property; or
 - b. The loss of use of tangible property whether or not it is physically damaged.
18. "Relative" means a person who at the time of an "occurrence" is related by blood, marriage, civil union or adoption to "you", "your" spouse or "your" domestic partner, and resides in "your" household, even if temporarily living somewhere else. Resident "relative" includes any ward or foster child who usually resides within "your" household.
19. "Temporary Worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
20. "Trailer" means a trailer designed specifically for the transportation of a "vessel".
21. "Vessel" means:
The watercraft described on the Declarations, including sails, spars, fittings, "motor(s)", rigging, winches, furniture, "electronic equipment" and other permanently attached equipment normally necessary on board for safe operations, navigation and routine maintenance. It does not include "trailers".
22. "Volunteer Worker" means a person who donates his or her work and acts at the direction of and with the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

PROTECTION AND INDEMNITY COVERAGE

"We" will pay up to the "limit" in excess of the Deductible, shown on the Declarations, that the "insured" is legally obligated to pay as damages because of "bodily injury" or "property damage" caused by an "occurrence" and resulting from the ownership, maintenance or use of the "vessel" and "boating equipment" that is shown on the Declarations.

1. **Defense or Settlement of a Suit** – "We" will defend a claim or suit seeking damages if the claim or suit resulted from "bodily injury" or "property damage" caused by an "occurrence" to which this coverage applies. Such defense will be provided at "our" expense by counsel that "we" choose.

"We" may investigate and settle claims or suits that "we" decide appropriate. "We" do not have to provide a defense after "we" have paid an amount equal to the "limit" that applies as a result of a judgment or written settlement.

2. **Removal of Wrecked or Sunken Property**

- a. **Coverage** – When required by law or governmental authority, "we" will pay the reasonable cost incurred for the raising, removal, or destruction of a stranded, sunken or burned "vessel". This includes the cost of unsuccessful attempts to raise, remove, or destroy this wreckage.

- b. **Limit** – The amount payable for this coverage is not subject to a separate "limit" of coverage, but is included and applicable to the Protection and Indemnity Coverage Limit as shown on the Declarations.

The "limit" for Removal of Wrecked or Sunken Property may be sub limited to a lesser amount. If the "limit" for Removal of Wrecked or Sunken Property is sub limited to a lesser amount that "limit" will be shown on the Declarations.

EXCLUSIONS

1. **Abuse** – This insurance does not apply to "bodily injury" or "property damage" arising out of or resulting from:

- a. Actual, alleged or threatened abuse or sexual molestation; or
 - b. Corporal punishment; or
 - c. Physical or mental abuse; or
 - d. The negligent:
 - (1) Employment; or
 - (2) Investigation; or
 - (3) Supervision; or
 - (4) Reporting to the proper authorities, or failure to so report; or
 - (5) Retention;

of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded in 1 a., b., or c., above.

2. **Animals and Marine Life** – "We" do not pay for "bodily injury" or "property damage" caused by or resulting from animals including, but not limited to, birds, vermin, rodents, insects, animals or marine life.
3. **Captain or Crew** – "We" do not pay for "bodily injury" to any captain or crew of the "vessel" under the Federal Jones Act, Death on the High Seas Act or General Maritime Law.
4. **Communicable Diseases** – "We" do not pay for "bodily injury" or "property damage" that arises out of or results from the transmission of a communicable disease by any "insured".

"We" do not pay for "bodily injury" arising directly or indirectly out of or resulting from the transmission or alleged transmission of any communicable disease including but not limited to any sexually transmitted disease or any other disease transmitted by bodily fluids or excretions.

This exclusion applies even if the claims against any “insured” allege negligence or other wrongdoing in the:

- a. Supervising, hiring, employing, training, or monitoring of others that may be infected with and spread a communicable disease; or
 - b. Testing for a communicable disease; or
 - c. Failure to prevent the spread of the disease; or
 - d. Failure to report the disease to authorities
5. **Contractual Liability** – “We” do not pay for “bodily injury” or “property damage” liability assumed under any contract or agreement, except a written contract relating to a dock rental or a boat storage indemnity agreement.
6. **Controlled or Psychotropic Substances** – “We” do not pay for “bodily injury” or “property damage” that arises out of or results from the use, sale, manufacture, delivery, transfer, or possession by any person of controlled or psychotropic substances as defined by Federal Food and Drug Law at **21 U.S.C. Section 811 and 812**, including any amendments.

Psychotropic substances include but are not limited to marijuana, cannabinoids, K-2, Spice, hashish, whippets, laughing gas, poppers, snappers, dextromethorphan, rohypnol, ketamine, gamma hydroxybutyrate, methadone, buprenorphine, salvia divinorum, LSD, psilocybin, mescaline, opioids, oxycodone, methamphetamine, ephedrine, Ecstasy, bath salts, mephedrone, methylenedioxypyrovalerone, or mecatinoine.

7. **Criminal Acts**

- a. “Bodily injury” or “property damage” arising directly or indirectly out of or resulting from a criminal act committed by any insured, including any additional insureds; or
 - b. “Bodily injury” or “property damage” arising directly or indirectly out of or resulting from criminal act at the direction of any insured including any additional insureds.
8. **Directors or Officers** – “We” do not pay for any liability “you” may have to any of “your” directors, officers, shareholders, partners or charterers or any such liability which any of them may have to “you”.
9. **Diving, Jumping, Swinging or Sliding** – “We” do not pay for “bodily injury” that arises out of or results from any person diving, jumping, swinging or sliding to or from a “vessel”.
10. **Employees, Leased Workers, Temporary Workers, Volunteer Workers** – “We” do not pay for “bodily injury” to any “employees”, “leased workers”, “temporary workers” or “volunteer workers” of the “insured”, if the “bodily injury” occurs in the course of employment, nor do “we” pay for consequential injuries to a spouse, child, parent, brother or sister of such “employee”, “leased worker”, “temporary worker” or “volunteer worker”.

This exclusion applies where:

- a. The “insured” is liable either as an employer or in any other capacity; or
 - b. There is an obligation to fully or partially reimburse a third person for damages arising out of “bodily injury” the injuries described above.
11. **Habitat Destruction** – “We” do not pay for “bodily injury” or “property damage” that arises out of or results from damage to or destruction to habitats, rookeries, protected shores, animals or marine life.
12. **Insureds** – “We” do not pay for “property damage” of property owned by any “insured” nor “bodily injury” to any “insured” or against another “insured”.
13. **Intentional Acts** – “We” do not pay for “bodily injury” or “property damage” that arises out of or results from an intentional act of any “insured” including, but not limited to, “bodily injury” or “property damage” that is:
- a. Expected, directed, or intended by any “insured”; or
 - b. The result of an intentional and malicious act by or at the direction of any “insured”.

The Intentional Acts exclusion applies even if the “bodily injury” or “property damage” that occurs:

- a. Is different than what was expected, directed, or intended by the “insured”; or
- b. Is suffered by persons, entities, or causes damage to property that is not expected, directed, or intended by the “insured”.

This exclusion does not apply to “bodily injury” resulting from the use of reasonable force to protect persons or property.

14. **In-Water Activities** – “We” do not pay for “bodily injury” or “property damage” that arises out of or results from any in-water activity including, but not limited to, swimming, scuba diving, snorkeling, waterskiing, tubing or wakeboarding.
15. **Land Transportation** – “We” do not pay for “bodily injury” or “property damage” while the “vessel” is transported by a land vehicle or a “trailer”.

16. Motor Modification – “We” do not pay for “bodily injury” or “property damage” that arises out of or results from any “vessel” or “boating equipment” where the horsepower of any “motor” on the “vessel” or “boating equipment” exceeds the manufacturer’s recommended safe powering limit of the “vessel” or “boating equipment”.

17. Nuclear Energy – “We” do not pay for “bodily injury” or “property damage” resulting directly or indirectly from an “occurrence” for which the “insured” is also provided coverage under a nuclear energy liability policy or would be provided coverage by that policy but for the exhaustion of its “limits”.

A nuclear energy liability policy is a policy issued by American Nuclear Insurers, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or their successors.

18. Parasailing or Kite Skiing – “We” do not pay for “bodily injury” or “property damage”:

a. Arising out of or resulting from parasailing, kite skiing, hang gliding, or similar activity designed for flight, from the initiation of being strapped into a harness and until the person is safely back aboard the “vessel” and completely free from the harness; or

b. That occurs while the “vessel” is towing a parasail, kite, hang glider, or similar device designed for flight.

19. Professional Services – “We” do not pay for “bodily injury” or “property damage” arising out of or resulting from the rendering of or the failure to render a professional service including but not limited to rescue efforts.

This exclusion applies even if the claims against any “insured” allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that “insured”, if the “occurrence” which caused the “bodily injury” or “property damage” involved that which is described above.

20. Property Owned, Occupied, Used or Rented – “We” do not pay for “property damage” to property:

a. Owned by any “insured”; or

b. Occupied or used by any “insured”; or

c. Rented to or in care of any “insured”.

However, “we” will cover “property damage” that results from the operation of a “vessel”, to a launching ramp, dock, or watercraft storage house rented solely to an “insured”.

21. Punitive Damages – “We” do not pay for any claims or demands for payment of punitive damages, exemplary or treble damages whether arising from the acts of any “insured” or by anyone else for whom or which any “insured” or additional “insured” is legally liable; including any multiplier of attorney’s fees statutorily awarded to the prevailing party.

22. Racing, Speed Test or Speed Tests – “We” do not pay for “bodily injury” or “property damage” that occurs while the “vessel” is involved in an organized or impromptu race including, but not limited to:

a. Preparation for a race; or

b. Participation in a race; or

c. Practicing or qualifying for a race.

A race means any competition for speed or endurance whether against another competitor or time.

“We” also do not pay for “bodily injury” or “property damage” that occurs while the “vessel” is involved in an organized or impromptu contest involving stunts.

This exclusion does not apply to sail boats in an organized or impromptu race.

23. Residential Use – “We” do not pay for “bodily injury” or “property damage” while the “vessel” is used as a primary or permanent residence.

24. Towing – “We” do not pay for “bodily injury” or “property damage” that arises out of or results from any watercraft in tow of the “vessel”.

This exclusion does not apply to salvage services rendered in an emergency to a vessel or craft in distress.

25. War or Military Action – “We” do not pay for “bodily injury” or “property damage” that result directly or indirectly from war or military action including:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

Discharge of a nuclear weapon is deemed a warlike action even if it is accidental.

26. Workers Compensation – “We” do not pay for “bodily injury” to a person if benefits are provided or are required to be provided by any “insured” under any law or regulation covering:

- a. U.S. Longshore and Harbor Workers’ Compensation Act;
- b. Workers’ Compensation; or
- c. Non-occupational disability; or
- d. Occupational disease.

WHAT MUST BE DONE IN CASE OF LOSS

The following duties apply in the event of loss or damage resulting from an “occurrence”. These duties must be performed by “you”, “your” representative, or the “insured” seeking coverage or the representative of an “insured” seeking coverage under this form.

“Your” failure to provide notice, as identified below, will be deemed to have prejudiced the Company and will void all coverage for the “occurrence”.

1. Notice

a. **Notice to Us** – In case of a loss, the “insured” must promptly give “us” or “our” agent notice. The notice to “us” must provide:

- (1) The name of the “insured”; and
- (2) The policy number; and
- (3) The time, place, and details of the loss; and
- (4) Names and addresses of all known witnesses and potential claimants.

b. **Notice to Others** – The “insured” must also give notice to the U.S. Coast Guard, police or local authority when there is a loss involving a “vessel” and:

- (1) The disappearance of a person from a “vessel”; or
- (2) The loss of a life; or
- (3) Theft, vandalism, or other criminal act; or
- (4) When a collision or “property damage” loss has occurred; or
- (5) Any other cause or reason required by the U.S. Coast Guard, police or local authority.

2. Cooperation – All “insureds” seeking coverage and the representative or representatives of all “insureds” seeking coverage must cooperate with “us” in any matter concerning a claim or suit.

3. Volunteer Payments – The “insured” will not make payments, pay or offer rewards, or assume obligations or other costs, except at the “insured’s” own cost. This does not apply to costs that are allowed by the terms of this form.

4. Notices, Demands and Legal Papers – When there is an “occurrence” that might result in a claim, the “insured” must promptly give “us” copies of all notices, demands, and legal papers that relate to the “occurrence” or the claim.

5. Assistance with Claims and Suits – At “our” request, the “insured” must help “us”:

- a. Settle a claim;
- b. Prosecute or defend suits and appear at trials and hearings;
- c. Enforce the right of recovery or indemnification against all parties who may be liable to the “insured” for the “bodily injury” or “property damage”;
- d. Secure and give evidence; and
- e. Obtain the attendance of all witnesses at all related proceedings that require their attendance.

HOW MUCH WE PAY

1. Protection and Indemnity Coverage

- a. The “limit” shown on the Declarations for Protection and Indemnity Coverage, is the most “we” pay for each “occurrence”. This applies regardless of the number of:
 - (1) Persons qualifying as an “insured” under this form; or
 - (2) Parties who sustain “bodily injury” or “property damage”; or
 - (3) Claims made or suits brought; or
 - (4) “Vessels” or “boating equipment” items, or premiums shown on the Declarations; or
 - (5) “Vessels”, or “boating equipment” items involved in an “occurrence”; or
 - (6) Policy periods involved.
- b. **Reduction in Amounts Payable** - No one will be entitled to receive duplicate payments for the same elements of loss under this coverage.
- c. **Aggregate Limit** – The maximum “we” will pay in any policy period, regardless of the number of “occurrences”, is the “limit” shown on the Declarations for Protection and Indemnity Coverage.

2. Deductible

All claims or suits seeking damages resulting from “bodily injury” or “property damage” caused by an “occurrence” will be paid, less the Deductible shown on the Declarations:

- a. Each “occurrence” will be treated separately and the Deductible, as shown on the Declarations, will apply to each “occurrence”; and
- b. Multiple claims from the same “occurrence” will be treated as one “occurrence” and only one Deductible, as shown on the Declarations will apply.

3. Insurance Under More than One Policy

- a. If this form and any other form or policy issued to “you” by “us” applies to the same loss or claim, “our” maximum “limit” under all such insurance will not exceed the highest applicable “limit” under any one form or policy.
However, if the other insurance is specifically written as excess over this form, the “limit” of this form applies first.
- b. If other insurance that applies to the loss or claim is provided under a policy that has not been issued to “you” by “us”, this form is excess over any other insurance.
If the other insurance is specifically written as excess insurance over this form, the “limit” of this form applies first.

PAYMENT OF LOSS OR CLAIM

A person who has secured a judgment against an “insured” for a loss covered under this form or has liability established by a written agreement between the claimant, “you”, and “us”, is entitled to recover under this form to the extent of coverage provided.

ADDITIONAL CONDITIONS, EXCLUSIONS, LIMITATIONS, AND WARRANTIES

1. **Fines, Penalties, or Tax Liens** – “We” do not pay fines, penalties, or tax liens arising out of the violation of law or government assessments.
2. **Seaworthiness Warranty**
 - a. **Safe and Navigable Condition** – “You” warrant that the “vessel” is and will be kept in a safe and navigable condition whenever afloat or operated.
 - b. **We Do Not Cover** – “We” do not cover any loss or damage caused by “your” failure to exercise due diligence to properly maintain the “vessel” in a seaworthy condition.
3. **Named Operator In Control** – “We” will not pay for any loss or damage if the “named operator(s)” is not at the helm, solely in control, and exclusively operating all aspects of navigation and use of the “vessel” while the “vessel” is underway or during in water operations and use.
4. **Fair Weather Warranty** – “You” warrant that there will be no navigation or operation of any “vessel” in waters where there are any small craft advisories or warnings in effect or wind gusts are over 30 knots or sustained winds are over 18 knots. This condition does not preclude unexpected or non-forecasted conditions.

This insurance does not apply to any claim arising out of or alleged to arise out of the failure to comply with this warranty.
5. **Licenses, Permits And Certificates** – “You” warrant that all necessary or required licenses, permits and certificates pertaining to the use or operation of the “vessel” 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 period of insurance.

This insurance does not apply to any claim arising out of or alleged to arise out of the failure to comply with this warranty.
6. **Rated Capacity** – “You” warrant that at no time will the number of passengers exceed the maximum rated capacity, recommended by the manufacturer, US Coast Guard or other governmental authority, of the “vessel” or exceed the number of passengers permitted by applicable law.

This insurance does not apply to any claim arising out of or alleged to arise out of the failure to comply with this warranty.
7. **Nuclear, Biological, Chemical, Radiological and Electromagnetic** - We will not pay for “bodily injury” or “property damage” caused directly or indirectly or arising out of or resulting from the actual or threatened release or escape of nuclear materials, radioactive materials, pathogenic or poisonous biological or chemical materials, or electromagnetic weapons, devices, or agents.

OTHER POLICY CONDITIONS AND WARRANTIES

1. **Abandonment of "vessel"** – "You" may not abandon any "vessel" to "us" unless "we" agree in writing to the abandonment of the "vessel".
2. **Assignment** – Coverage under this form may not be assigned without "our" written consent.
3. **Cancellation and Non-renewal**
 - a. "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating the future date when coverage is to stop.
 - b. "We" may cancel or not renew this policy by written notice to "you" at the address shown on the Declarations. Proof of delivery or mailing is sufficient proof of notice.
 - c. If "we" cancel this policy, "we" will give "you" notice at least 10 days before the cancellation is effective.
 - d. If "we" do not renew this policy, "we" will give "you" notice at least 30 days before the non-renewal is effective.
 - e. If this policy is cancelled, "you" may be entitled to a premium refund. If "we" cancel the policy, any returned premium, will be computed on a pro-rata basis. If "you" cancel the policy, a short rate penalty may apply to the return premium.
 - f. A minimum premium may apply as shown on the Declarations or by endorsement to the policy.
4. **Change, Modification, or Waiver of Policy Terms** – A waiver or change of the terms of this form must be issued in writing by "us" to be valid.
 "Our" request for an appraisal or examination under oath does not waive policy terms.
5. **Conformity with Statute** – When the terms of this form are in conflict with the applicable laws and statutes, the provisions of this policy are changed to conform to such laws and statutes.
6. **Death** – On "your" death, "we" will cover the following as an "insured":
 - a. The person who has proper temporary custody of "your" property until a qualified legal representative is appointed; or
 - b. "Your" legal representative.
 This person or organization is an "insured" only with respect to property covered under this form and liability arising out of that property.
 This coverage does not go beyond the end of the policy period.
7. **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 certificates or other evidences of insurance or any claim that would be in violation of U.S. economic and trade sanctions as described above shall also be null and void.
8. **Examination of Your Books and Records**
 We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.
9. **Governing Law** – The rights and obligations of the parties under this policy shall be governed by the general maritime law of the United States of America.
10. **Inspections** – We have the right, but are not obligated to inspect a "vessel". This inspection may be made by "us" or may be made on "our" behalf. An inspection or its resulting advice or report does not warrant that "your" "vessel" is
 - a. Safe; or
 - b. Free of fungi, bacteria, "pollutants", or other toxins that may be hazardous to health; or
 - c. In compliance with codes, standards, laws, rules or regulations; or
 - d. Seaworthy.
 Inspections or reports are for "our" benefit only.

- 11. Lay Up** – If the “vessel” is to be “laid-up” and out of commission for the period shown on the Declarations:
- The “vessel” must be in a safe berth for storage ashore or afloat, as indicated on the Declarations; and
 - The “vessel” must not be used for any purpose whatsoever (but repairs, repainting, dismantling and fitting out can be carried on), and must not be equipped and ready for immediate use; and
 - Adequate fire, safety, and lifesaving equipment of proper type, size and quantity for the “vessel” shall be maintained in proper condition and working order aboard it at all times; and
 - While afloat, the “vessel” and its moorings and bilge areas must be checked daily; and
 - While afloat, the “vessel’s” engines must be operated at least once weekly for a period of not less than one (1) hour; and
 - The “vessel” must not be used for living on board or overnight accommodation; and
 - The “vessel” must not be navigated away from its berth, except to move it to a safe port or berth in the event of a windstorm; and
 - The manner and place of lay-up of the “vessel” shall continuously be subject to “our” approval and if “you” decline or fail to carry out any recommendations “we” make from time to time, coverage may be canceled by “us”.
- 12. Misrepresentation, Concealment, or Fraud** – We do not provide coverage for any “insured” if before or after a loss:
- An “insured” has willfully concealed or misrepresented a material fact or circumstance that relates to this insurance or the subject thereof; or
 - There has been fraudulent conduct or false swearing by any “insured” with regard to a matter that relates to this insurance or the subject thereof.
- This applies even with respect to an “insured” who was not involved in the concealment, misrepresentation, fraudulent conduct, or false swearing.
- 13. Policy Coverage Territory** – Unless otherwise shown in the Navigation Warranty on the Declarations, “we” only provide coverage under this form for “bodily injury” or “property damage” that occurs within:
- The United States of America or Canada including the inland lakes, tributaries, rivers and navigable waterways; or
 - The Great Lakes; or
 - Coastal waters that extend 25 statute miles or less from the coast of either the United States of America or Canada.
 - If “port risk” is indicated as the Navigation Warranty on the Declarations, then no coverage is afforded under this policy if the “vessel” is away from the Mooring Location shown on the Declarations.
- 14. Transfer of Rights of Recovery Against Others to Us**
- If the “insured” has rights to recover all or part of any payment “we” have made under this policy, those rights are transferred to “us”. The “insured” must do nothing after loss to impair them. At “our” request, the “insured” will bring suit or transfer those rights to “us” and help “us” enforce them.
- 15. Suit Against Us** – No suit may be brought against “us” unless all the terms of this form are complied with and the amount of an “insured’s” liability has been fixed by:
- A final judgment against an “insured” that is the result of a trial; or
 - A written agreement of the “insured”, the claimant, and “us”.
- No person has a right under this form to join “us” or impede “us” in actions that are brought to fix the liability of an “insured”.
- 16. Transfer of Interest** – All coverage provided by “us” will terminate upon the sale, assignment, transfer or pledge of the “vessel” unless prior written consent has been obtained from “us”.