



MARKEL AMERICAN INSURANCE COMPANY
SPECIMEN

THE MARKEL HIGH PERFORMANCE POLICY

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THE MARKEL HIGH PERFORMANCE POLICY

READ YOUR POLICY CAREFULLY.

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INSURING AGREEMENT

In return for the premium payment and compliance with all applicable provisions of this policy and any endorsements, we agree to provide the insurance coverages as shown on the Declarations Page, which is part of this policy.

By accepting this policy, you agree that the statements on the Declarations Page and any application 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.

It is warranted that the **insured watercraft** is seaworthy at the inception of this insuring agreement. Violation of this warranty voids this insuring agreement from its inception.

DEFINITIONS

Throughout this policy, most words and phrases that have special meanings appear in **bold**. Only the pronouns "we", "our", "us", "you", "your" and "yours" are defined, but do not appear in **bold**. This section defines some of the more general terms used in this policy. Bold terms that are not listed in this section are defined within the sections they appear.

1. You, your and yours refer to the 'Insured' named on the Declarations Page and your spouse if a **resident** of the same household.
2. The words we, us and our refer to the company, shown on the Declarations Page, which is providing this insurance.
3. **Actual cash value** means the cost to repair or replace the lost or damaged property less depreciation.
4. **Bodily injury** means physical injury, sickness or disease sustained by a person including death resulting from any of these.
5. **Constructive total loss** means that the cost to recover and/or repair the **insured watercraft** will exceed the applicable limit of insurance.
6. **Contaminant** means any petroleum product, chemical, lubricant, or solvent normally associated with the use and operation of a watercraft.
7. **Design defect** means a flaw in the structural plan of the **insured watercraft's** hull or machinery, or any of its components. Design defect does not include wear and tear, gradual deterioration, corrosion, rust, electrolysis, osmosis, weathering, **latent defects**, or **manufacturer's defects**.
8. **Family member** means any person related to you by blood, marriage, or adoption (including a ward or foster child) who is also a **resident** of your household.
9. **Insured** means you and any **named operator**.
10. **Insured watercraft** means the watercraft and motor(s) shown on the Declarations Page, including machinery and equipment necessary for the safe operation and maintenance of the watercraft.
11. **Latent defect** means a flaw in the material of the **insured watercraft's** hull or machinery existing when the **insured watercraft** or its components were built and not discoverable by common means of testing. Latent defect does not include wear and tear, gradual deterioration, corrosion, rust, electrolysis, osmosis, weathering, inherent vice, **manufacturer's defects**, or **design defects**.

12. **Manufacturer's defect** means the improper, incorrect or inadequate manufacturing process of the **insured watercraft's** hull or machinery or any of its components. Manufacturer's defect does not include wear and tear, gradual deterioration, corrosion, rust, electrolysis, osmosis, weathering, inherent vice, **latent defects**, or **design defects**.
13. **Named operator** means the 'Named Operator' whom we have approved and listed on the Declarations Page.
14. **Occurrence** means a single event or an accident or series of accidents caused by a single event.
15. **Property damage** means damage to tangible property.
16. **Resident** means any person who lives in your home.
17. **Windstorm** means tropical depressions, tropical storms, hurricanes, or nor'easters as designated by the National Weather Service and/or National Hurricane Center.

GENERAL CONDITIONS

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1. Use of the **Insured Watercraft**
 If you violate any of the following conditions, coverage will be suspended until you are no longer in violation:
 - a. The **insured watercraft** is for private pleasure use only. Coverage is not provided for charter, hire, lease or any other commercial use. Recreational entertaining of the **insured's** business clients on the **insured watercraft** is not considered commercial use.
 - b. The **insured watercraft** may not be transported outside of the Continental United States. While being towed overland on a trailer, the weight of the **insured watercraft**, trailer and any other equipment may not exceed the towing capacity as provided by the manufacturer of the towing vehicle. If the **insured watercraft** is being transported by contract or common carrier, the contract or common carrier must be licensed and must provide a certificate of insurance covering the **insured watercraft**. This policy is then excess to the coverage provided by the licensed contract or common carrier. Coverage is not provided anytime the **insured watercraft** is being transported as waterborne cargo.
 - c. The **named operator(s)** will be at the helm, solely in control, and exclusively operating all aspects of steering and throttle of the **insured watercraft**.
 - d. If 'Lay-Up' is shown on the Declarations Page, during the lay-up period shown:
 - i. If the Declarations Page indicates that lay-up is ashore, then:
 - 1) the **insured watercraft** is warranted to be laid up, winterized, and out of commission ashore. An **insured watercraft** on a permanent lift or hoist will not be considered laid up ashore;
 - 2) the **insured watercraft** is warranted to not be available for immediate use;
 - 3) overland transport is limited to within 150 miles of mooring location for maintenance, servicing, repair and safety of the **insured watercraft** only.
 - ii. If the Declarations Page indicates that lay-up is on a lift, then:
 - 1) the **insured watercraft** is warranted to be laid up, winterized, and out of commission on a lift or ashore;
 - 2) the **insured watercraft** is warranted to not be available for immediate use;
 - 3) overland transport is limited to within 150 miles of mooring location for maintenance, servicing, repair and safety of the **insured watercraft** only.
2. Policy Period/Territory
 This policy applies only to loss which occurs during the policy period as shown on the Declarations Page and:
 - a. on land within the United States of America; or
 - b. while the **insured watercraft** is afloat within the 'Navigation Limits' shown on the Declarations Page.

3. Misrepresentation or Fraud

All insurance provided by this policy will be null and void if you, at any time, either intentionally conceal or misrepresent any fact, regardless of materiality, or if you misrepresent or conceal any material fact regardless of intent. No action or inaction by us will be deemed a waiver of this provision.

4. Notice of Cancellation

You may cancel this policy by returning it to us or our authorized agent, or by advising us or our authorized agent in writing, stating the future date you want the policy to be cancelled.

We may cancel this policy by delivering or mailing notice of cancellation to the first named 'Insured' at the last address shown in our records at least:

- a. ten (10) days before the cancellation takes effect if:
 - i. the cancellation is for nonpayment of premium; or
 - ii. this policy has been in effect for less than sixty (60) days and is not a renewal policy.
- b. thirty (30) days before the cancellation takes effect in all other cases.

After this policy has been in effect for sixty (60) days, or if this is a renewal policy, we will cancel only:

- a. for nonpayment of premium due;
- b. for misrepresentation or fraud;
- c. for substantial breach of your duties under this policy;
- d. if the risk changed substantially since the policy was issued; or
- e. for failure to comply with our underwriting requirements within 60 days of the term effective date.

Proof of mailing of this notice to you will be sufficient proof that notice of cancellation was given. The date of the cancellation stated in the notice will become the end of the policy period.

This policy will terminate without any written notice and all premiums will be deemed fully earned by us when we pay for a total loss or a **constructive total loss**.

5. Return Premium

If this policy is cancelled, you may be entitled to a premium refund. If we cancel the policy, any return premium will be computed on a pro-rata basis. If you cancel the policy, any return premium will be computed on a 90% pro-rata basis. The return premium cancellation is subject to our minimum earned premium. Any return premium will be paid to you within a reasonable amount of time after the cancellation.

6. Conformity to Statute

This policy is subject to established principles and precedents of federal admiralty law of the United States of America, but where no substantive principle or precedent is applicable state law shall apply. Any provision of this policy that conflicts with applicable law or regulation is hereby amended to conform to the minimum requirements of the law or regulation.

7. Policy Changes

No change or waiver may be effected in this policy except by endorsement issued by us. If a premium adjustment is necessary, we will make the adjustment as of the effective date of the change.

When we broaden coverage during the policy period, without charge, the policy will automatically provide the broadened coverage when effective in your state.

8. Legal Action Against Us

- a. No suit or action may be brought against us unless there has been full compliance with all terms of this policy.

- b. With respect to coverage provided under **PHYSICAL DAMAGE**, no suit or action may be brought against us unless the action is brought within 12 months after the date you first have knowledge of the loss.
- c. With respect to all other coverage under this policy, no suit or action may be brought against us until the amount of a claim against you has been determined or agreed upon.
- d. Nothing in this policy gives any person or organization the right to join us as defendants in a suit brought against you.

9. No Benefits to Others

No person or organization, which has custody of the **insured watercraft** and is to be paid for services, will benefit from this insurance.

10. Transfer of Interest

We do not provide any coverage under this policy if you sell, assign, transfer or pledge the insured property unless prior written consent has been obtained from us.

In the event of your death, this policy will remain in effect until the end of the policy period for:

- a. persons covered under this policy at the time of your death;
- b. your legal representative while acting within the scope of duties of a legal representative; or
- c. any person having proper custody of the **insured watercraft** until a legal representative is appointed.

11. Right of Recovery

You may have the right to recover from another party who is responsible for your loss. If we pay your loss under this policy, this right of recovery will belong to us up to the amount that we have paid you. If you, or anyone acting on your behalf, take any action that impairs our right to recover, we may consider this policy void and without effect as to such loss. However, signing written contracts for storage or slip rental that include a waiver of subrogation provision will not void this policy.

12. Claim or Suit Against You

You must immediately notify us and send us every demand notice, summons or other legal papers received by you or your representative if a claim is made or a suit is brought against you for liability that is covered under this policy. We will pay the ensuing cost of the suit and have the sole right to control the defense of the suit. We also have the option of naming attorneys to represent you in the suit.

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13. General Duties Following a Loss

You must report immediately to us or our authorized agent any accident, loss, damage, or expense which may be covered under this policy. This report should give full details about when and where the loss occurred, how it happened and the name and address of all the people involved including all witnesses. You are required to immediately notify the authorities of any collision, theft, vandalism or malicious damage to your insured property or if any injury is involved. You must also permit us to inspect any damage before repairs are made.

After requested by us, you must file within ninety (90) days thereof, with us or our authorized agent, a written statement about the details of the loss. This statement must be signed and sworn by you.

You, as often as we may reasonably require, will:

- a. exhibit to any person we designate all that remains of any property that may be covered under this policy;
- b. submit and subscribe to examinations under oath by any person named by us. If more than one person is examined, we have the right to examine and receive statements separately from each person and not in the presence of the others;
- c. produce for examination and permit extracts and copies of all books of account, bills, invoices, other vouchers and any other tangible items related to the claimed loss, or certified copies thereof if the originals are lost, at such reasonable time and place as may be designated by us or our representative.

You must cooperate with us in the investigation, defense or settlement of any loss.

If you do not comply with these general duties, no coverage for the loss will be provided.

14. Other Insurance

This policy is excess over any other valid and collectible insurance.

15. Nonrenewal

If we decide not to renew your policy, we or our authorized representative will mail to the first named 'Insured', at the address shown on the Declarations Page, written notice of nonrenewal. The written notice will be mailed to the first named 'Insured' at least thirty (30) days before the end of the policy term. A copy of the notice will also be sent to any lienholder named on the Declarations Page. If we decide not to renew your policy, our mailing of notice to the address of the first named 'Insured' shown on the Declarations Page will constitute proof of notice as of the date we mail it.

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GENERAL EXCLUSIONS

No coverage is provided under this policy for loss or damage, liabilities incurred by any person, injury or damages or expenses of any type for loss caused by, resulting from or arising out of:

1. Extended Radioactive Contamination

- a. ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- b. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- c. any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- d. the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purpose.

However, if while the **insured watercraft** is within the policy territory, a fire arises directly or indirectly from one or more of the above causes in item a., b., and d., then any loss or damage arising directly from that fire will, subject to the provisions of this policy, be covered. No coverage is provided for any loss or damage, liabilities incurred by any person, injury or damages or expenses of any type for loss caused by, resulting from or arising out of nuclear reaction, nuclear radiation, or radioactive contamination arising directly or indirectly from that fire.

2. War or any warlike operation. This includes declared and undeclared wars, civil wars, revolutions or any civil unrest.
3. The lawful or unlawful capture, seizure, requisition or detainment of your **insured watercraft** by a civil authority or any attempt at any of these.
4. An actual or threatened act involving a chemical, biological, bio-chemical or electromagnetic weapon, device, agent or material when used in an intentionally hostile manner.
5. Preparation for or participation in any race, speed, or stunting contest.
6. Willful or intentional misconduct or criminal act on the part of any **insured** or during any illegal activity on the part of any **insured**. This exclusion includes loss, damage, injury or liability occurring while an **insured**

is operating the **insured watercraft** with a blood or breath alcohol level equal to or in excess of the legal limit applicable for the operation of motor vehicles in the state where you reside.

PHYSICAL DAMAGE

1. Coverage

a. Watercraft and Equipment

i. Coverage

We will cover sudden accidental direct physical loss or damage to the **insured watercraft**.

ii. Property Not Covered

Under Watercraft and Equipment Coverage, we do not cover:

- 1) dock boxes, moorings, cradles, lifts, or shore stations;
- 2) items which are covered elsewhere under this policy; or
- 3) fuel.

iii. What We Pay

- 1) In the event of a ~~total loss or constructive total loss~~ at our option we will:
 - a) pay the limit on the Declarations Page for 'Watercraft and Equipment', less the applicable deductible; or
 - b) replace the lost property with property of like kind and quality, less the applicable deductible.
- 2) If the **insured watercraft** is less than seven years of age, then in the event of a partial loss, we will pay the lesser of:
 - a) the reasonable cost of repairs without deduction for depreciation; or
 - b) the cost to replace the lost or damaged property, with the lesser of:
 - i) new property of comparable material and quality, used for the same purpose; or
 - ii) property of like kind, condition, quality and age.

However, the following items will be paid based upon **actual cash value**:

- a) machinery inside the **insured watercraft** starting with the fourth year from the date of manufacture;
 - b) outdrive units and outboards;
 - c) batteries;
 - d) paint or finishes (including anti-fouling paint);
 - e) protective covers; upholstery, cushions, carpet or any fabric or canvas; or
 - f) loss due to **windstorm**.
- 3) If the **insured watercraft** is seven years of age or more, then all partial losses will be paid on an **actual cash value** basis.

Age is calculated by subtracting the model year from the calendar year, and adding one to the result.

We pay for repairs that are made in accordance with the manufacturer's specifications or accepted repair practices, including spot repair.

If the **insured watercraft** was damaged before the loss, we will not pay to repair the prior damage. In the event of a total loss or **constructive total loss**, the amount we will pay will be reduced to the cost that would have been incurred had the prior damage been repaired.

iv. Exclusions

We will not pay for loss, damage or expense caused by or resulting from:

- 1) wear and tear, gradual deterioration, inherent vice, marring, electrolysis, corrosion, rust, dampness of atmosphere, weathering, osmosis, blistering, mold, mildew, wet or dry rot;
- 2) birds, vermin, insects, animals, and marine life; however if any of these results in fire, sinking, collision or stranding of the **insured watercraft**, the resulting physical damage will be covered;
- 3) mechanical or electrical breakdown or overheating unless such damage is the result of other loss covered by this policy;
- 4) failure to maintain the **insured watercraft** (including its machinery and equipment) in good condition so that the **insured watercraft** cannot be damaged by ordinary weather or water conditions or the rigors of normal use;
- 5) the operation of the **insured watercraft** if the horsepower exceeds the manufacturer's recommended safe powering limit;
- 6) ice and/or freezing;
- 7) diminution in value;
- 8) **windstorm** for any canvas; or
- 9) **manufacturer's defects** or **design defects**. However, if the loss or damage has not resulted from the negligence of any **insured**, this exclusion does not apply to loss, damage or expense directly caused by any **latent defect** in the hull or machinery (excluding the cost and expense of replacing or repairing the latently defective part).

b. Personal Effects

i. Coverage

We will cover sudden accidental direct physical loss to your personal effects, and those of your guests, while on board the **insured watercraft** or while being loaded on or unloaded from the **insured watercraft**. Personal effects are items such as sports equipment, clothing and other personal items.

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ii. Property Not Covered

Under Personal Effects Coverage, we do not cover:

- 1) currency, documents or other valuable papers;
- 2) jewelry, watches or furs;
- 3) china or silver;
- 4) antiques or collectibles;
- 5) computer hardware or software;
- 6) perishables or consumables;
- 7) firearms;
- 8) animals;
- 9) watercraft including personal watercraft such as jet skis or wave runners;
- 10) property which is covered under Watercraft and Equipment Coverage;
- 11) dock boxes, moorings or cradles; or
- 12) fuel.

iii. What We Pay

We will pay the **actual cash value** of the personal effect(s). Our liability for any one **occurrence** will not exceed the limit for 'Personal Effects' on the Declarations Page.

iv. Exclusions

We will not pay for loss, damage or expense caused by or resulting from:

- 1) wear and tear, gradual deterioration, birds, insects, animals, or inherent vice;
- 2) mechanical or electrical breakdown, unless caused by lightning;
- 3) theft or unexplained disappearance unless there are visible marks of forcible entry or removal;

- 4) **windstorm**; or
- 5) diminution in value.

c. Trailer

i. Coverage

We will cover sudden accidental direct physical loss or damage to your trailer, but only if used exclusively for transporting the **insured watercraft**.

ii. What We Pay

We will pay for the **actual cash value** of the trailer. Our liability for any one **occurrence** will not exceed the limit for the 'Trailer' on the Declarations Page.

iii. Exclusions

We will not pay for loss, damage or expense caused by or resulting from:

- 1) wear and tear, gradual deterioration, or inherent vice;
- 2) mechanical breakdown; or
- 3) diminution in value.

d. Emergency Towing and Assistance

i. Coverage

We will reimburse the reasonable expenses you incur resulting from the following services to the **insured watercraft** if help is not available and you must obtain commercial assistance:

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

If 'Trailer' coverage is shown on the Declarations Page, this coverage also applies to such expenses incurred because the trailer is disabled. However, we will not pay for delivery of fuel to any conveyance transporting the **insured watercraft** if the reason the boat trailer is disabled is because the conveyance is out of fuel.

ii. What We Pay

The most we will pay for any one **occurrence** is the limit for 'Emergency Towing and Assistance' on the Declarations Page.

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e. Windstorm Extra Expense

i. Coverage

If a premium is shown on the Declarations Page for 'Watercraft and Equipment' and if a **windstorm** watch or warning is issued for the area where your **insured watercraft** is moored, we will reimburse the costs that you incur:

- 1) to protect the **insured watercraft** from loss or damage;
- 2) within the twenty-four (24) hour period prior to the issuance of a watch or warning, provided that a watch or warning is subsequently issued for the area where your **insured watercraft** is moored;
- 3) to have the **insured watercraft** professionally hauled out of the water at the time the watch or warning is issued for your mooring area and to have the **insured watercraft** launched after the watch or warning has ended.

ii. What We Pay

We will pay 50% of your actual incurred expenses, subject to a maximum of \$500 for any one **windstorm**, and \$1,000 total in any single policy period.

2. Loss Conditions

a. Deductibles

- i. We will not pay for loss, damages or expense for any one **occurrence** until the amount of the loss, damage or expense exceeds the applicable deductible shown on the Declarations Page.
- ii. The applicable deductible amount will be doubled for all theft losses, unless reasonable precautions were taken to prevent the theft. Reasonable precautions include evidence that an approved anti-theft device or precaution was defeated. We will not consider a lock to have been defeated if the thief found the key on board the **insured watercraft** or in the towing vehicle. Approved precautions include the following:
 - 1) **insured watercraft** stored in a locked garage, building or fenced area;
 - 2) **insured watercraft** stored in a fenced commercial marina;
 - 3) equipment stored in a locked cabin or enclosure;
 - 4) electronic alarms;
 - 5) outboard or outdrive locks;
 - 6) trailer ball or trailer axle locks;
 - 7) propeller hub locks;
 - 8) **insured watercraft** or equipment chained to a permanent anchor.
- iii. However, if a Windstorm Deductible is shown on the Declarations Page, then the Windstorm Deductible will apply to all partial, total or **constructive total losses** caused by or resulting from **windstorm**.
- iv. The policy deductible does not apply to the costs incurred under Windstorm Extra Expense.

b. Salvage and Abandonment

If we pay the limit as shown on the Declarations Page for 'Watercraft and Equipment' or 'Trailer', we reserve the right to take possession of the remains if we elect. At our request, you will transfer the title of the property to us or to a salvage buyer appointed by us. Any recovery or salvage on a loss will accrue entirely to our benefit until the sum paid by us has been made up.

We are not obligated to accept any property you abandon, nor are we obligated to pay any storage fees incurred because you abandoned any property to any other person or organization.

c. Payment of Loss

We will pay losses within 30 days after the earliest of the following:

- i. we reach agreement with you;
- ii. final judgment is rendered in a court of law;
- iii. an appraisal award is filed with us; or
- iv. a proof of loss is accepted by the company.

d. Appraisal

If you dispute our evaluation of the amount of the loss, then you must submit a written request for appraisal within one year of the date of loss. You and we will then each appoint and pay for a competent and disinterested appraiser. If the two appraisers cannot agree on the amount of the loss, the appraisers or a judge of the local court of record will select an umpire who will decide any differences. The expense of the umpire and all other expenses of the appraisal will be shared equally by you and us. An award in writing by any two such persons will determine the amount of your loss. You and we will be bound by that amount.

Appraisal is not available where there is a dispute as to the existence of coverage. Nothing herein will prejudice or in any way impact our right to contest coverage and to bring suit in a court of competent jurisdiction contesting coverage.

e. Protect and Recover

In the event of a covered loss to the **insured watercraft**, you must protect the **insured watercraft** from further loss and make every effort to recover it. We will pay the reasonable costs you incur under this condition in addition to any other payments we make for loss or damage under Watercraft and Equipment coverage, but not to exceed the limit for 'Watercraft and Equipment' on the Declarations Page. We will not cover any further loss incurred due to your failure to protect the **insured watercraft**.

f. Loss Payable Conditions

If a 'Loss Payee' is named on the Declarations Page, any loss will be paid to you and the 'Loss Payee' as your and their interests appear. If your interest in the **insured watercraft** is terminated, any loss payment will only recognize the 'Loss Payee's' interest. No change in title or ownership of the **insured watercraft** or any acts of yours will affect the 'Loss Payee's' interest in this policy except that the 'Loss Payee's' interest will not be protected in the event of fraud, misrepresentation, material omission, or willful or intentional misconduct or criminal act on the part of any **insured** or during any illegal activity on the part of any **insured**. These events include loss, damage, injury or liability occurring while an **insured** is operating the **insured watercraft** with a blood or breath alcohol level equal to or in excess of the legal limit applicable for the operation of motor vehicles in the state where you reside.

You or the 'Loss Payee' must let us know of any change of ownership or any increase in hazard of which you or the 'Loss Payee' are aware.

If you fail to give us sworn proof of loss within 30 days when requested by us, the 'Loss Payee' will do so within sixty (60) days thereafter.

Payment may be made to both jointly, or separately, at our discretion.

WATERCRAFT LIABILITY

Coverage

We will cover damages for **bodily injury or property damage** for which an **insured** becomes legally liable through ownership, maintenance, or use of the **insured watercraft**.

If a premium is shown on the Declarations Page for 'Watercraft and Equipment', we will also cover the reasonable expenses incurred to raise, remove or dispose of the wreck of the **insured watercraft** if you are legally obligated to do so. This is not additional insurance, but is included in the limit of Watercraft Liability coverage.

Wreck means the **insured watercraft** has been damaged to such an extent as to render the **insured watercraft** not navigable and we determine the **insured watercraft** to be a total or **constructive total loss**.

What We Pay

We will pay no more than the limit for 'Watercraft Liability' shown on the Declarations Page for all damages or losses resulting from any **occurrence**. This is the most we will pay, regardless of the number of persons covered under this section, claims made, watercraft or premiums shown on the Declarations Page or the number of watercraft involved.

Exclusions

We will not pay for:

- 1) liability assumed under any contract or agreement;
- 2) **bodily injury or property damage** while the **insured watercraft** is being transported on land;

- 3) any fine or penalty assessed by any governmental unit;
- 4) **bodily injury** or **property damage** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of any solid, liquid, gaseous or thermal irritant or **contaminant**, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste, including materials to be recycled, reconditioned or reclaimed;
- 5) **bodily injury** or **property damage** sustained by any **insured** or **resident**;
- 6) damage to property in your care, custody or control;
- 7) **bodily injury** or **property damage** sustained by any passenger of the **insured watercraft** as a direct or indirect result of any scuba diving activity;
- 8) **bodily injury** or **property damage** while the **insured watercraft** is being used for teak surfing, waterskiing, aquaplaning or any similar sport in which a person(s) or object(s) or both are towed, and until such operations are ended and the person(s) or object(s) engaged in such sport have been safely taken on board the **insured watercraft** or landed safely elsewhere;
- 9) **bodily injury** or any other payment or obligation to any person eligible to receive any benefits required to be provided by you. This includes, but is not limited to, any employment, unemployment, disability, worker's compensation, non-occupational disability, occupational disease law, Jones Act, Federal Longshoremen's and Harbor Worker's Compensation Act, or any state or federal workers' or workmen's compensation law or occupational disease law or migrant or seasonal workers law; or
- 10) punitive or exemplary damages or associated interest.

Defense

We have the right and duty to defend any suit to which this insurance applies. However, we may investigate and settle any claim or suit at our discretion. Our duty to defend any claim or suit ends when the amount we pay, or tender to the Court of Jurisdiction for any pending litigation on your behalf, for damages resulting from the **occurrence** equals the limit for 'Watercraft Liability' shown on the Declarations Page.

If a suit is brought against you for claims falling within the coverage provided under the policy, seeking both compensatory and punitive or exemplary damages, we will afford a defense to such action; however, we will not have any obligation to pay for any costs, interest or damages attributable to punitive or exemplary damages.

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OIL POLLUTION LIABILITY

Coverage

We will cover:

- 1) the sums which you are legally liable to pay as a result of **property damage** arising out of an **oil pollution incident**;
- 2) the reasonable costs directly associated with the actual clean-up of an **oil pollution incident**;
- 3) the reasonable costs or expenses legally imposed upon you by those government authorities assisting or monitoring an **oil pollution incident**;
- 4) administrative charges and civil expenses levied against you by a judiciary body as a result of an **oil pollution incident**;
- 5) the reasonable costs and expenses to defend you against legal action for **property damage** from an **oil pollution incident**.

Oil pollution incident means the sudden, accidental and unexpected emission, discharge, release, leakage, escape or spillage of a **contaminant** from an **insured watercraft** in an accident that is specific in place and time within the policy period.

What We Pay

We will pay no more than the limit for 'Oil Pollution Liability' shown on the Declarations Page for all damages or expenses resulting from any **occurrence**. This is the most we will pay, regardless of the number of persons covered under this section, claims made, watercraft or premiums shown on the Declarations Page or the number of watercraft involved.

Exclusions

We will not pay for:

- 1) liability assumed under any contract or agreement;
- 2) any fine or penalty assessed by any governmental unit;
- 3) an **oil pollution incident**, if any **insured** knows, or has reason to know, of the incident and fails to report it as required by law(s);
- 4) **property damage** sustained by any **insured** or **resident**;
- 5) **bodily injury**;
- 6) liability for natural resource damage unless legal action commences within one (1) year of the incident;
- 7) an **oil pollution incident** unless you provide all reasonable cooperation and assistance with containment and clean-up operations as is required by law or by someone acting under their legal authority; or
- 8) punitive or exemplary damages or associated interest.

Defense

We have the right and duty to defend any suit to which this insurance applies. However, we may investigate and settle any claim or suit at our discretion. Our duty to defend any claim or suit ends when the amount we pay, or tender to the Court of Jurisdiction for any pending litigation on your behalf, for damages resulting from the **occurrence** equals the limit for 'Oil Pollution Liability' shown on the Declarations Page.

If a suit is brought against you for claims falling within the coverage provided under the policy, seeking both compensatory and punitive or exemplary damages, we will afford a defense to such action; however, we will not have any obligation to pay for any costs, interest, or damages attributable to punitive or exemplary damages.

SPECIMEN

MEDICAL PAYMENTS

Coverage

We will cover the reasonable charges for necessary medical, surgical, x-ray, dental, ambulance, hospital and professional nursing services and funeral service expenses incurred within one year from the date of an accident causing **bodily injury** to any person while in, upon, boarding or leaving an **insured watercraft**.

The injured person must submit to an examination by a physician selected by us when and as often as we reasonably require.

What We Pay

We will pay no more than the limit for 'Medical Payments' shown on the Declarations Page for any **occurrence**. This is the most we will pay, regardless of the number of persons involved, claims made, or watercraft or premiums shown on the Declarations Page, or the number of watercraft involved.

Each person seeking payment under this coverage must:

- 1) provide us with written authorization for release to us copies of pertinent medical reports and records; and
- 2) submit a valid proof of loss within one year of the incurred expenses.

Exclusions

Payments under this section will not be made to, or on behalf of, any person:

- 1) injured while trespassing;
- 2) for whom liability is assumed by an **insured** under contract or agreement;
- 3) injured while the **insured watercraft** is being transported on land;
- 4) hired to work for or on behalf of any **insured**; or
- 5) **bodily injury** or any other payment or obligation to any person eligible to receive any benefits required to be provided by an **insured**. This includes, but is not limited to, any employment, unemployment, disability, worker's compensation, non-occupational disability, occupational disease law, Jones Act, Federal Longshoremen's and Harbor Worker's Compensation Act, or any state or federal workers' or workmen's compensation law or occupational disease law or migrant or seasonal workers law.

Admission of Liability

Any payment made under this section is not an admission of liability by you or us.

UNINSURED WATERCRAFT

Coverage

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We will pay all sums you or a **family member** are legally entitled to recover as damages from the owner or operator of an **uninsured watercraft**. The damages must result from **bodily injury** caused by an **occurrence**, sustained by you or a **family member** while on board the **insured watercraft**. The owner's or operator's liability for these damages must result from the ownership, maintenance or use of the **uninsured watercraft**.

The injured person must submit to an examination by a physician selected by us when and as often as we reasonably require.

Uninsured watercraft means a waterborne vehicle of any type:

- 1) To which no **bodily injury** bond or policy applies at the time of the **occurrence**.
- 2) Which is a watercraft whose operator or owner cannot be identified and which hits:
 - a) you or a **family member** while on board the **insured watercraft**; or
 - b) an **insured watercraft**.

An **uninsured watercraft** does not include any watercraft or equipment:

- 1) owned, operated by, or available for the regular use of an **insured** or a **resident**; or
- 2) owned by any governmental unit or agency.

What We Pay

We will pay no more than the limit for 'Uninsured Watercraft' shown on the Declarations Page for all damages or losses resulting from any **occurrence**. This is the most we will pay, regardless of the number of persons covered under this section, claims made, watercraft or premiums shown on the Declarations Page or the number of watercraft involved.

Any amount payable under this coverage will be reduced by all sums paid by or for anyone who is legally responsible, including all sums paid under **MEDICAL PAYMENTS**. Any sums paid under this coverage will reduce any amount you or a **family member** are entitled to recover under **MEDICAL PAYMENTS**.

Each person seeking payment under this coverage must:

- 1) provide us with written authorization for release to us copies of pertinent medical reports and records; and
- 2) submit a valid proof of loss within one year of the incurred medical or funeral expense.

Exclusions

We will not pay for:

- 1) any claim settled without our consent;
- 2) **bodily injury** to any person on board the **insured watercraft** without permission;
- 3) the benefit of any insurer or self-insurer, directly or indirectly, under any workers' compensation, disability benefits law or any similar law;
- 4) damages where there is no evidence of physical contact between the **insured watercraft** and either an unidentified or **uninsured watercraft**; or
- 5) **bodily injury** to any person arising out of the transportation of an **uninsured watercraft** on land.

This Policy is signed at the Home Office of the company by its president and secretary.

MARKEL AMERICAN INSURANCE COMPANY
Glen Allen, Virginia

SPECIMEN

Linda Sickman Rotz

Linda Rotz
Secretary

T. Tamraz Grove

T. Tamraz Grove
President

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