

Boat, Motor and/or Boat Trailer Rider

We insure:

1. the watercraft described on the Declarations Page including permanently attached equipment, except outboard motors;
2. the outboard motor(s) described on the Declarations Page, including fuel containers and electric starting equipment or controls supplied as integral equipment by the manufacturer;
3. boating equipment not included in 1. or 2. above, including batteries, oars, oarlocks, anchors, boat covers, cushions, life preservers, fire extinguishers, extra gasoline tanks, horns, pumps and similar property, while such property is attached to or contained in or on the watercraft described on the Declarations Page;
4. the boat trailer(s) described on the Declarations Page.

Extensions of Coverage

1. Liability

If we insure Farm Liability Coverage under Form LF02 under this policy, the following extensions apply:

(a) Removal of Wreck

We will pay the costs involved in the removal or demolition of property insured if it is wrecked in a waterway and the authority holding jurisdiction requires its removal or demolition, or we will pay the amount for which you are held liable for failing to do so.

(b) Federal Longshoremen's and Harbour Worker's Compensation Act (U.S.)

We will provide coverage for any liability which you are responsible for under this Act as long as your responsibility arises from the ownership or use of the insured watercraft.

2. Newly Acquired Watercraft

We will automatically insure an additional or replacement watercraft acquired by you for fifteen (15) days but only if:

- a. such watercraft is of a type already covered by this policy;
- b. you shall advise us or your broker within fifteen (15) days of the acquisition
- c. this automatic extension shall not exceed the value of the watercraft described on the Declarations Page, nor shall it increase the amount of insurance stated therein.

3. Personal Property

We will cover personal property while on board or being carried on or off the insured watercraft up to a limit of \$5,000. Personal property is defined as items of a personal nature not normally required for the operation, use or maintenance of the watercraft.

Insured Perils

The Declarations Page describes the items we insure and specifies which of these two coverages apply:

1. All Risks

We insure against all risks of direct physical loss or damage to the insured property, except as excluded or limited under "Loss or Damage Not Insured".

2. Named Perils

We insure against direct physical loss or damage to the insured property caused by the following perils except as excluded or limited under "Loss or Damage Not Insured":

- a. fire, lightning and/or explosion;
- b. collision, derailment or overturn of transporting land conveyance;
- c. collision, sinking or stranding of a regular ferry upon which the property insured is being transported between ports in Canada or the Continental United States of America;

- d. windstorm, tornado, cyclone or hail while the insured property is on land only: this peril shall not cover loss or damage caused by flood, surface water, waves, tidal water or tidal wave or water borne objects all whether driven by wind or not;
- e. theft of the entire motor or boat or trailer.

Loss or Damage Not Insured

We do not insure loss or damage to any watercraft, outboard motors, boating equipment or boat trailers:

- 1. caused by wear and tear, deterioration, defect or mechanical breakdown, faulty design, faulty workmanship, rust or corrosion, extremes of temperature, wet or dry rot or mould, electrolysis;
- 2. caused by vermin, insects or gradual loss or damage by any form of marine life;
- 3. while it is being repaired or worked on or if the loss is due to electrical currents, except lightning; however, we will insure your loss if a fire or explosion results, but only for the loss due to the fire or explosion;
- 4. caused by freezing to the engine or its components unless the engine and its attachments are equipped with a closed loop fresh water cooling system. This exclusion does not apply to sailboats.
- 5. that is used to carry the public for compensation or when rented to others;
- 6. that is used in any illegal trade or transportation;
- 7. while being operated in an official race or speed test, except for sailboats in non-professional races organized by a yacht club of which you are a member;
- 8. any watercraft or equipment illegally acquired or kept or seized or confiscated by an order of a public authority or as a result of a violation of any law;
- 9. resulting from any intentional or criminal act or failure to act by:
 - (a) any person insured by this policy; or
 - (b) any other person at the direction of any person insured by this policy;
- 10. resulting from your failure to maintain your watercraft in sound condition,
- 11. due to the intentional or criminal acts of others who borrow or use your watercraft;
- 12. caused by war, invasion, act of a foreign enemy, declared or undeclared hostilities, civil war, rebellion, revolution, insurrection or military power;
- 13. caused directly or indirectly by any nuclear incident as defined in the Nuclear Liability Act, or any other nuclear liability act, law or statute, or any law amendatory thereof, or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
- 14. caused directly or indirectly by contamination by radioactive material;

We also do not insure:

- 15. (a) loss or damage to "Data";
- (b) loss or damage caused directly or indirectly by "Data problem". However, if loss or damage caused by "Data problem" results in the occurrence of further loss of or damage to property insured that is directly caused by fire, "explosion", "smoke", "leakage from fire protective equipment", water damage caused by bursting of frozen pipes and tanks, this exclusion shall not apply to such resulting loss or damage.

Loss of Use

If an insured peril makes your boat or motor unfit for use, we will reimburse your expenses to a total of \$500 per occurrence, for the rental of a substitute boat or motor.

Territory

You are insured within the territorial limits of Canada and the Continental United States.

BASIS OF CLAIM PAYMENT

In the event of loss to watercraft, outboard motors, boating equipment, boat trailers or personal property, we agree to pay on the basis of replacement cost, up to the amount(s) of insurance shown on your Declarations Page.

However, we will not pay more than the Actual Cash Value:

- 1. If repair or replacement is not effected as soon as reasonably possible, but in no case more than one (1) year after the date of loss;
- 2. if the watercraft, outboard motor, boating equipment, boat trailer or personal property was no longer in use for its originally intended purpose;

3. if the damaged watercraft, outboard motor, boating equipment, boat trailer or personal property was not in working order immediately before the loss or if the watercraft, outboard motor, boating equipment, boat trailer or personal property was obsolete;
4. if the damaged watercraft, outboard motor, boating equipment or boat trailer was more than ten (10) model years old at the beginning of the policy term.

"Replacement Cost" means the cost, on the date of the loss or damage, of the lesser of:

- (a) repairing the property with materials of similar kind and quality; or
- (b) new property of similar kind, quality and usefulness;

without any deduction for depreciation.

"Actual Cash Value" means the cost at the time of loss to repair or replace property less depreciation. In determining depreciation, we will consider, but are not limited to the age, condition, resale value, obsolescence, and normal life expectancy of the property at the time of the loss.

Deductible

We will pay only the amount by which any loss or damage caused by an insured peril exceeds the deductible amount shown on the Declarations Page. Only one deductible will apply per occurrence. If more than one deductible applies to the damaged property, the highest deductible amount will be applied.

DEFINITIONS

Where used in this Form:

"Data" means representations of information or concepts in any form.

"Data problem" means:

- (i) erasure, destruction, corruption, misappropriation, misinterpretation of "data";
- (ii) error in creating, amending, entering, deleting or using "data; or
- (iii) inability to receive, transmit or use "data"