

AGREEMENT

If shown on your Coverage Summary Page (Declarations), we agree to provide the coverage as described in the Endorsement for the location(s) to which it is attached.

It is agreed that, unless otherwise specified under the Endorsement, all other definitions, limits, deductibles, terms, conditions, provisions, and exclusions of the Policy to which the Endorsement applies remain unchanged.

PLEASURE WATERCRAFT ENDORSEMENT – Form UC1410 (2019-06)

**SECTION A - DEFINITIONS**

The definitions below apply to the entire endorsement.

Words and phrases that appear in bold face have special meanings as defined below.

"You" and "your" in this section refer to the Insured. "We" and "us" refer to the Company providing this insurance.

**Auxiliary outboard motor** means an outboard motor which is not the primary means of propulsion, but is normally used in the service of the watercraft and/or its tender.

**Bodily injury** means bodily injury, sickness, or resulting death.

**Commercial use** means any continuous or regular pursuit undertaken for remuneration including a trade, profession or occupation, or the rental of watercrafts.

**Constructive total loss** means any loss causing repair or salvage costs in excess of the amount of coverage.

**Dinghy** means a small watercraft used for shuttling between the shore and the watercraft's anchoring place. Personal Watercraft is not considered under that definition.

**Electronic navigation equipment** means any electronic or communications equipment, portable or permanently installed, used for navigating the insured watercraft, especially radar, a GPS, a depth gauge, a sonar, or any other equipment required for navigation.

**Insured** means the person(s) named as Insured on the Coverage Summary page, and:

- while living in the same household:
  - his or her spouse;
  - the relatives of either; and
  - any person under 21 years of age in their care.
- a student who is enrolled in and actually attends a school, college, or university and who is dependent on the Named Insured or his or her spouse for support and maintenance even if temporarily residing away from the principal residence stated on the Coverage Summary page.
- any **Qualified Operator** who uses the insured watercraft with the consent of one of the Insured persons mentioned.

**Laying-up Period** means period of time between December 1st and April 1st of each year when your watercraft must be dry-docked, duly prepared, and out of commission for the wintering lay-up, except if it is used in the territorial waters of Western Canada and the United States of America.

**Loss** means an event that gives rise to one or more claims no matter how many **Insured(s)** are involved or Third Parties are harmed.

**Navigation Zone** means:

**Inland Waters:**

- All Canadian and United States inland waters north of 40 degrees North Latitude, except the Fraser River above the junction of the Sumas River.

**Coastal Waters:**

Within 20 nautical miles of shore:

- Canadian and United States coastal waters south of 52 degrees North latitude and north of 40 degrees North Latitude.
- Coastal waters of mainland British Columbia and the North and West Coast of Vancouver Island, including:
  - Puget Sound and adjacent waters;
  - The Strait of Juan de Fuca; and
  - The Portland Canal.

**Pleasure watercraft** means watercraft used strictly for pleasure purposes.

**Property damage** means damage to, or destruction of tangible property, including its loss of use.

**Qualified Operator** means an operator who is in compliance with all licensing requirements necessary to operate the watercraft.

**Removable equipment** means any equipment that is not permanently installed, and is used for the security, operations, or maintenance of the watercraft, except for outboard motors.

**Remuneration** means payment, in cash or in kind, made to a person for work done or services rendered.

**Spouse** means:

- either of a man and a woman who are married to each other or who have together entered into a marriage that is voidable or void; or
- either of two persons who are living together in a conjugal relationship outside marriage and have so lived together continuously for a period of three (3) years or, if they are the natural or adoptive parents of a child for a period of one (1) year.

**Total loss** means any loss causing repair or salvage costs in excess of the amount of coverage.

**Watercraft, or Hull & Machinery** means any watercraft named on the Coverage Summary page with its permanent and **removable equipment**, its integrated or semi-integrated machinery, including in the case of a sailboat, its masts, sails, rigs, and provisions.

**SECTION B - PROPERTY COVERAGES**

**COVERAGES**

We agree, up to the amounts stipulated on the Coverage Summary page and subject to the terms and conditions of this endorsement, to indemnify you for damage caused directly to property covered under the insured perils, in all without reducing the amounts of insurance.

Nonetheless, when the initial damage has been increased due to the occurrence of insured perils, the aggregate of damages including the increase, shall be deemed to have been caused by a single loss for purposes of determining the applicable amount of insurance.

**DEDUCTIBLE**

Regarding each loss provided under the main coverage, the Insured shall pay for the part of damages equal to the deductible stipulated on the Coverage Summary page.

In the event a single accident or occurrence gives rise to a claim where more than one deductible would apply, only the highest applicable deductible will be deducted, except in the event of a total loss or a constructive total loss that involves the Watercraft, or Hull & Machinery in which case the deductible will be waived.

**INSURED PROPERTY**

Property listed hereafter is insured under this contract:

- your watercraft described on the Coverage Summary page with its permanent equipment, its integrated or semi-integrated motors, including in the case of a sailboat, its masts, sails, and rigs;
- your motor(s) described on the Coverage Summary page as well as their portable fuel tanks, their fuel lines, control, and starting devices;
- electronic navigation equipment;
- removable equipment;
- your dinghy, boat trailer, or launching cradle specified on the Coverage Summary page;
- your personal property and your guest's personal property, especially sports items, clothing, and other personal property while such property is on board of your watercraft.

**PROPERTY NOT INSURED**

- Any property illegally acquired, kept, stored, transported, or property subject to forfeiture;
- Any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
- Jewellery, watches, gems, furs, and garments trimmed with fur;
- Money, bank notes, gold or silver, namely in bullion, platinum, coins, and medals;
- Securities, statements, titles, documents vouching the existence of receivables, letters of credit, promissory notes, manuscripts, passports, tickets, and stamps;
- Silverware and goldware, silver-plated and gold-plated ware, pewterware, and firearms;
- Property covered, in whole or in part, by insurance expressly granted under another policy.

**INSURED PERILS**

YOU ARE INSURED against all risks of direct loss or damage to insured property subject to the exclusions and limitations of this policy.

The following damage is included:

- property damage caused while being transported from the watercraft via land transportation;
- damage caused to the Watercraft, or Hull and Machinery by an inherent defect, but not the cost of the repair or replacement of the part affected by the inherent defect.

**OTHER COVERAGES****Equipment Stored Ashore:**

We shall indemnify you for any loss or damage caused by an Insured Peril to equipment removed from the watercraft and stored ashore for maintenance, repair or storage.

**Newly Acquired Property:**

We shall indemnify you for any loss or damage caused by an Insured Peril to any watercraft, auxiliary, or trailer that you will acquire during the term of the contract, provided:

- you inform us within thirty (30) days of your acquisition;
- we have accepted to insure the foregoing property;
- you pay the required additional premium at the rates of the company.

Newly acquired watercraft specifically insured elsewhere is excluded.

Until we have been able to agree on the value of said property, the insured amount shall be equal to the lesser of the following amounts:

- the purchase price;
- the Actual Cash Value.

We shall also indemnify you for any equipment that you acquire during the term of the contract.

**Loss of Use and Additional Living Expenses:**

We shall indemnify you up to the amount shown on the Coverage Summary page for expenses required for restoring the watercraft incurred within twenty-six (26) weeks following the occurrence of an insured peril.

- Rental expenses for a substitute watercraft until your watercraft has been repaired or replaced;
- Additional living expenses that you have incurred over and above the ordinary expenses needed for maintaining your standard of living while you are away from your residence.

**Towing and Breakdown Assistance Services:**

We shall indemnify you up to the amount shown on the Coverage Summary page for expenses that you have incurred during the year in the event of a breakdown in order to procure the following services in an emergency:

- the towing of your watercraft to the nearest service centre where repairs may be made;
- the delivery of fuel or parts for your watercraft. Fuel and parts costs, however, are not included.

**EXCLUSIONS**

IN ADDITION TO THE EXCLUSIONS LISTED IN YOUR POLICY, THIS ENDORSEMENT DOES NOT COVER:

**1. Commercial Use**

Loss or damage caused when the watercraft is used for rental purposes, for commercial or exhibition purposes, for illicit transportation or as a public carrier to carry passengers for hire.

**2. Seizure and confiscation**

Loss or damage resulting from seizure and/or confiscation by public authorities, unless such property is destroyed to prevent the spread of fire.

**3. Racing**

Loss or damage caused when the watercraft is used in any contest involving a race or speed, except for sailboats in organized non-professional races.

**4. Departure from manufacturer's specifications**

Loss or damage caused when engine horsepower exceeds the manufacturer's specifications for the Watercraft, or Hull & Machinery.

**5. Materials and Workmanship**

Loss or damage resulting from the cost of making good faulty material or workmanship.

**6. Parasailing and similar sports**

Loss or damage resulting from parasailing, spinnaker flying, kite skiing, kite tubing, hang gliding, or similar activity involving tethered flight and/or subsequent release of objects or people.

**7. Wear and tear**

Loss or damage caused by ordinary wear and tear, marring, chipping, scratching and/or denting, lack of maintenance, gradual deterioration, defects, rust, corrosion, extremes of temperature, marine life, wet or dry rot or mould, osmosis, and/or the blistering and delamination of fiberglass.

**8. Impairment**

Loss or damage sustained while an Insured pilots the insured watercraft:

- while under the influence of narcotics or illicit drugs or after consuming alcohol in excess of the legal limit;
- while in a condition under which they are or may be found guilty of an offence under the Criminal Code of Canada.

**9. Freezing**

Loss or damage caused by freezing during the laying-up period, unless the preparation for the wintering lay-up has been performed for hire by a marina or a recognized boat repair facility.

**10. War**

Loss or damage caused by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection, or military power.

**11. Permanent Occupancy**

Loss or damage resulting from the watercraft being used as permanent living accommodations.

**12. Improper use or defect**

Loss or damage resulting from manufacturing defects, mechanical failure, or improper use of the insured property.

**13. Sport items**

Loss or damage caused to sport items owing to their use.

**14. Laying-up period**

Loss or damage caused by ice when the watercraft is water-borne during the laying-up period.

**15. Pollution**

Loss or damage caused by pollutants that includes but is not limited to waste, oil, petroleum products, gas, and chemicals, except if they originate from a fire or an explosion.

**16. Nuclear incident**

Loss or damage caused by:

- any nuclear accident as defined in the Nuclear Liability Act, or any other nuclear liability act or, 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;
- contamination by radioactive material.

**17. Terrorism**

Loss or damage caused directly or indirectly, in whole or in part, by terrorism or by any activity or decision of a government agency or other entity to prevent, respond to, or terminate terrorism regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but you are still insured for ensuing loss or damage which results directly from fire or explosion.

**18. Non-compliant transportation**

Loss or damage caused by the hauling of the watercraft on a public road in violation of any laws.

**19. Navigation zone**

Loss or damage having occurred while the watercraft was operated or located outside the Navigation Zone stipulated in this endorsement.

**BASIS OF CLAIM PAYMENT**

Subject to the conditions under this contract, we shall indemnify you for damage caused to your property in accordance with the Basis of Claim Payment specified on the Coverage Summary page and the following terms and conditions:

- **on the basis of Actual Cash Value**

All losses on Watercraft, or Hull & Machinery, ten (10) years of age or older, will be settled on an Actual Cash Value basis.

Actual Cash Value means the cost at the time of loss to repair or replace property up to the amount shown on the Coverage Summary page. 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.

or

- **on the basis of Agreed Value**

All losses on Watercraft, or Hull & Machinery, nine (9) years old and under, will be settled on an Agreed Value basis.

**Total loss**

Agreed Value means the cost at the time of loss to repair or replace property up to the amount shown on the Coverage Summary page.

We will limit the amount payable under this clause to the Actual Cash Value if:

- a) A replacement has been identified and you have not accepted settlement within 60 days; or
- b) A cash settlement has been requested by you.

**Partial loss**

In the case of a partial loss, the lesser of the cost of repair or replacement with property of the same nature and quality, without taking into account depreciation when you have repaired or replaced the damaged property within twenty-six (26) weeks following the occurrence of an insured peril. In the absence of repairs or replacement, we shall indemnify you on the basis of Actual Cash Value.

or

- **on the basis of Guaranteed Replacement Cost**

All losses on Watercraft, or Hull & Machinery, up to three (3) years of age and purchased new, will be settled on the Guaranteed Replacement Cost value basis.

However, if the insured Watercraft, or Hull & Machinery have not been purchased new at the time of delivery, settlement will be based on Agreed Value subject to the conditions listed within the Agreed Value section under this contract.

**Total loss**

Guaranteed Replacement Cost means in the event of a total loss or a constructive total loss, we will pay the Replacement Cost of the Watercraft, or Hull & Machinery without any deduction for depreciation and irrespective of their Amount of Insurance shown on the Coverage Summary page.

At our option, we will replace the insured Watercraft, or Hull & Machinery with:

- A new Watercraft, or Hull & Machinery of the same model, manufacturer, and original equipment; or

- A new Watercraft, or Hull & Machinery of like kind and quality, as determined by us.

We will limit the amount payable under this clause to the Actual Cash Value if:

- A replacement has been identified and you have not accepted settlement within 60 days; or
- A cash settlement has been requested by you.

**Partial loss**

In the case of a partial loss, we will pay the lesser of the cost of repair or replacement with property of the same nature and quality, without taking into account depreciation when you have repaired or replaced the damaged property within twenty-six (26) weeks following the occurrence of an insured peril.

In the absence of repairs or replacement, we shall indemnify you on the basis of Actual Cash Value.

**Pre-existing Damage**

Coverage is not provided for the cost of repairing or replacing any unrepaired or pre-existing damage incurred before the effective date of this endorsement or, in addition to the payment of a subsequent loss.

**SECTION C - EXTENSION OF COVERAGES**

**MEDICAL EXPENSES**

We agree to pay up to \$10,000 per loss for medical expenses incurred by, or on behalf of the Insured as defined, who have sustained accidental bodily injury resulting from the use or operation of the boat specified on the Coverage Summary page, provided that the payment of such expenses is not prohibited by law and is not covered under other insurance.

The term "medical expenses" refers to all reasonable expenses incurred for medical, surgical and hospital care and/or ambulance services.

Coverage is limited to the expenses incurred within twenty-six (26) weeks following the occurrence of an insured peril.

**ACCIDENTAL DEATH**

In the event of the accidental death of the Insured named under the Coverage Summary page, his or her spouse, or a minor over whom they have custody, we agree to pay:

- Named Insured ..... \$15,000
- His or her spouse ..... \$5,000
- Dependent minor ..... \$1,000

The death must result from the use or operation of the boat named on the Coverage Summary page and occur within twelve (12) months of the accident causing such death.

All other terms, conditions, and exclusions of this endorsement remain unchanged.

**SECTION D – QUALIFIED OPERATORS WARRANTY**

It is hereby understood and agreed that all operators must be in compliance with all government regulations and licensing requirements. If an unqualified operator is operating the insured watercraft at the time of the loss, there will be no coverage under SECTION B – PROPERTY COVERAGES and SECTION C – EXTENSION OF COVERAGES during the time of the breach.

**SECTION E- PERSONAL LIABILITY COVERAGE**

**MAIN COVERAGE**

We agree to pay per loss up to the amount shown on the Coverage Summary page, on behalf of the Insured, any amount that they shall be

required to pay to a third party as compensatory damages due to bodily injury or property damage sustained accidentally during the term of the contract and for which they are liable owing to:

- ownership, maintenance, or use of the insured watercraft, without reducing the insured amount;
- the use of any watercraft similar to the one indicated in the Coverage Summary page of which the Insured is neither the owner nor the lessor providing they have the authorization of the owner.

This coverage insures the liability of the Insured for damages caused by any watercraft similar to the one indicated on the Coverage Summary page up to the limit of indemnity payable for the insured watercraft.

This coverage does not insure property damage or bodily injury caused to an insured person.

We also cover the monetary consequences arising from third party liability set up against the Insured under the United States legislation entitled the "Longshoremen's and Harbor Workers' Compensation Act" and the "Jones Act".

**ADDITIONAL COVERAGES**

**Wreck Removal**

We agree to pay the expenses for the removal or elimination of watercraft wreckage reasonably engaged for such purpose when the Insured is required by law to remove or eliminate the said wreckage.

**Uninsured or Underinsured Boater Coverage**

We cover, up to the amount stated for Liability under the Coverage Summary page, bodily injury sustained by any Insured following an accident involving an uninsured watercraft.

By uninsured watercraft, we mean:

- watercraft not covered by liability insurance for bodily injuries at the time of the accident;
- watercraft whose amount of liability insurance is lower than the limits provided hereunder;
- watercraft whose owner or operator cannot be identified but whose actions resulted in physical contact being made with the watercraft covered hereunder;
- watercraft covered by legal liability insurance for bodily injuries for which the Third Party Insurer refuses to provide indemnity for the loss.

We shall pay damages that the Insured is legally entitled to recover from the owner or the pilot of the said watercraft following a judgment handed down by a court of competent jurisdiction insofar as said damages exceed the amount payable as insurance of the liable third party, if applicable, and up to the amount of coverage provided under the Coverage Summary page.

We do not cover **Bodily Injuries**:

- sustained by anyone aboard your watercraft owing to action of another watercraft of which you are the owner;
- sustained by anyone who is not aboard your watercraft at the time of the accident;
- for which a person, whether directly or through the offices of their legal representative, has concluded a settlement without the consent of Unica;
- directly or indirectly to the benefit any insurer or self-insurer under any workers or workmens' compensation, disability benefits law or similar law.

Regardless of the number of Insureds, this coverage is limited to the amount stipulated in the Coverage Summary page for damage incidental to one and the same accident.

Uninsured Boaters claims are included in the amount of insurance for SECTION E – PERSONAL LIABILITY COVERAGE and are not in addition to, in the event of an accident involving both coverages.

The amounts paid or payable under any statute involving labour accidents, disability insurance, or any similar legislation are then deducted from the amount payable under this coverage.

**EXCLUSIONS**

WE DO NOT INSURE:

**1. Commercial use**

Loss or damage caused when the watercraft is used for rental purposes, for commercial or exhibition purposes, for illicit transportation, or as a means for carrying passengers for hire.

**2. Aircraft**

Damage caused by aircraft and their accessories.

**3. Other Insureds**

Bodily Injury to any Named Insured within the meaning of Section A – Definitions.

**4. Rented or entrusted property**

Loss or damage caused to property rented to or entrusted with the Insured, except for damages resulting from the Insured's liability owing to fire or explosion caused on the site of the watercraft's storage. This exclusion does not apply to liability for damages to any similar watercraft provided under Section II – Liability Coverage of your policy.

**5. Racing**

Loss or damage caused when the watercraft is used in any contest involving a race or speed except for sailboats in organized non-professional races.

**6. Departure from manufacturer's specifications**

Loss or damage caused when engine horsepower exceeds the manufacturer's specifications for the Watercraft, or Hull & Machinery.

**7. Employees**

Loss or damage caused to labourers or other persons in your service and resulting from accident or illness.

**8. Intentional Acts**

Loss or damage resulting from or which may reasonably be expected to result from any intentional or criminal act or failure to act by:

- Any person insured by this endorsement; or
- Any person who uses the insured watercraft with the consent of one of the Insured persons mentioned;
- Any person to whom the property has been entrusted

**10. War**

Loss or damage arising from war, invasion, act of foreign enemy, hostilities, civil war, rebellion, revolution, insurrection, or military power.

**11. Offence and regulations**

Loss or damage caused directly or indirectly when the Insured pilots the insured watercraft:

- while under the influence of narcotics or illicit drugs or after consuming alcohol in excess of the legal limit;
- while in a condition under which they are or may be found guilty of an offence under the Criminal Code of Canada.

**12. Parasailing and similar sports**

Loss or damage resulting from parasailing, spinnaker flying, kite skiing, kite tubing, hang gliding, or similar activity involving tethered flight and/or subsequent release of objects or people.

**13. Pollution**

Loss or damage caused by pollutants that includes but is not limited to waste, oil, petroleum products, gas and chemicals, except if they originate from a fire or an explosion.

**14. Liability assumed under contract**

Loss or damage for which the Insured must answer solely because they have assumed liability therefor under contract.

**15. Nuclear incident**

Bodily injury or property damage which is required to be insured under a nuclear energy liability policy issued by the Nuclear Insurance Association of Canada, or any other group or pool of insurers.

**16. Seizure and confiscation**

Loss or damage resulting from seizure and confiscation by public authorities.

**17. Terrorism**

Any claim that arises directly or indirectly, in whole or in part, out of terrorism or by any activity or decision of a government agency or other entity to prevent, respond to or terminate terrorism regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

**18. Land transportation**

Loss or damage resulting from land transportation of the insured property.

**19. Motorized Land Vehicles:**

Loss or damage incurred while any Watercraft is:

- Being carried in or upon a motorized land vehicle;
- On a trailer attached to, or being towed by, a motorized land vehicle.

**20. Navigation zone**

Loss or damage having occurred outside the Navigation Zone stipulated in this endorsement.

**Insurance Under More Than One Policy**

If you have other insurance which applies to a loss or a claim, or would have applied if this endorsement did not exist, this endorsement will be considered excess insurance and we will not pay any loss or claim until the amount of such other insurance is used up.