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# THE ACE PLATINUM PORTFOLIO PERSONAL UMBRELLA POLICY

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## QUICK REFERENCE

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**SCHEDULE OF REQUIRED UNDERLYING INSURANCE AND LIMITS**

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<b>EXPOSURE</b>	<b>COMBINED SINGLE LIMIT</b> Each Occurrence	<b>SPLIT LIABILITY LIMITS *</b> * BI Each Person/BI Each Accident/ PD Each Accident
Home/Personal Liability	\$300,000	
Personal Automobile Liability	\$300,000	\$250,000/\$500,000/\$25,000 or \$300,000/\$300,000/\$25,000
Uninsured/Underinsured Motorists	\$300,000	\$250,000/\$500,000/\$25,000 or \$300,000/\$300,000/\$25,000
Watercraft: Less than 26 feet and 50HP or less Less than 26 feet and greater than 50HP 26 feet to 50 feet Greater than 50 feet	\$300,000 \$500,000 \$500,000 \$1,000,000	
Recreational Motor Vehicles	\$300,000	\$250,000/\$500,000/\$25,000 or \$300,000/\$300,000/\$25,000
Employers' Liability	\$300,000	

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**AGREEMENT**

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This Contract, the Declarations and any Endorsements complete the policy. The policy is a legal contract between you and us. We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

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**DEFINITIONS**

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In this policy, *you* and *your* mean the person shown in the Declarations as the Named Insured and the spouse if a resident of the same household. *We*, *us* and *our* mean the Company providing this insurance and issuing this policy, as shown in the Declarations.

In addition, certain words and phrases are defined as follows:

1. *Aircraft* means any contrivance used or designed to carry people or cargo in flight.
2. *Auto* means any motorized land vehicle which requires motor vehicle registration. However, *auto* does not include a self-propelled motor home, motorcycle or attached trailer or semi-trailer.
3. *Bodily injury* means physical bodily harm, sickness or disease, including required care, loss of services and death that results.
4. *Business* means a trade, profession, occupation or other activity, including farming operations, performed in exchange for money or other compensation, whether on a full-time, part-time or occasional basis. This also includes investment activity or any activity intended to realize a profit for either an *insured person* or others.

However, *business* does not include:

- a. Volunteer activities for which the only payment received is for expenses incurred to perform the activity;
- b. Providing home day care services for which no compensation is received; or
- c. Providing home day care services to a relative of an *insured person*.

5. *Damages* means the sum required to satisfy any claim for an *occurrence* covered by this policy, whether settled and agreed to in writing by us or resolved by judicial review.
6. *Family member* means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child under the age of 25.
7. *Follow form* means we will pay *damages* to the extent that the *damages* are covered under both *required underlying insurance* and this policy. When this policy pays *damages* in excess of *required underlying insurance* exhausted by payment of claims, this policy will not provide broader coverage than is provided under *required underlying insurance*. When no *required underlying insurance* exists, the extent of coverage provided on a *follow form* basis will be determined as if the *required underlying insurance* had been purchased from us.
8. *Incidental business* means:
  - a. A *business* activity, other than a farm operation, conducted by an *insured person* that:
    - (1) Does not produce more than \$15,000 in annual gross revenues;
    - (2) Does not involve the employment of others subject to any workers' compensation, disability benefits, unemployment compensation or other similar laws; and
    - (3) Conforms to local, state and federal laws.
  - b. A farm operation conducted on your residence premises that:
    - (1) Is incidental to the use of the premises as your residence;
    - (2) Does not produce more than:
      - (a) \$25,000 in annual gross revenues from agricultural operations; or
      - (b) \$50,000 in annual gross revenues from the raising or caring of animals and does not involve more than 25 sales transactions during the *policy period* or the sale of more than 50 animals during the *policy period*; and
    - (3) Does not involve the employment of others for more than 1,500 hours per *policy period*.
9. *Insured person* means:
  - a. You and residents of your household who are:
    - (1) Your *family members*; or
    - (2) Other persons under the age of 25 and in the care of any person described above;
  - b. With respect to animals or *watercraft* to which this policy applies, any person or organization legally responsible for these animals or *watercraft* that are owned by you or any person included in **a.** above.  
*Insured person* does not mean a person or organization using or having custody of these animals or *watercraft* in the course of any *business* or without consent of the owner; or
  - c. With respect to any motor vehicle to which this policy applies, any person using the vehicle with an *insured person's* consent with respect to their legal responsibility arising out of its use.
10. *Occurrence* means:
  - a. An accident, including continuous or repeated exposure to substantially the same general harmful conditions, which first occurs during the *policy period* and results in *personal injury* or *property damage*; or
  - b. An *offense*, including a series of related *offenses*, committed during the *policy period* and results in *personal injury*.

An *occurrence* or series of related *occurrences* is considered to be one *occurrence*, even if an *occurrence* or series of related *occurrences* continues into a subsequent *policy period*.
11. *Offense* means one or more of the following:
  - a. False arrest, detention or imprisonment;
  - b. Malicious prosecution;
  - c. Wrongful entry or eviction;
  - d. Libel, slander or defamation of character; or

- e. Invasion of privacy.
- 12. *Personal injury* means the following injuries, and resulting death:
  - a. *Bodily injury*;
  - b. Mental anguish; or
  - c. An *offense*.
- 13. *Policy period* means the period of time this policy is in effect as shown on the Declarations, unless terminated by you or by us. All coverages described in this policy apply only to *occurrences* that take place while this policy is in effect.
- 14. *Private staff* means a person employed to perform duties related to your personal affairs or *incidental business*. *Private staff* are paid by you or a *family member* to perform labor or services at your direction. *Private staff* includes *temporary workers*. *Private staff* also includes persons employed by a firm under an agreement between you and the firm. Independent contractors and persons hired by you who work 15 hours or less per week are not *private staff*.
- 15. *Property damage* means physical harm to or destruction of tangible property, including loss of its use resulting from such physical harm or destruction.
- 16. *Recreational motor vehicle* means a motorized land vehicle:
  - a. Designed for recreational use off public roads and not registered for use on public roads;
  - b. Designed for recreational use on public roads and registered for use on public roads, including but not limited to motor homes, motorcycles, motor scooters and mopeds;
  - c. In dead storage at a location shown in the Declarations;
  - d. Designed to assist the handicapped; or
  - e. Used solely on and to service a location shown in the Declarations.
- 17. *Required underlying insurance* means an *insured person's* personal liability insurance that is required to be maintained in force for the types of exposures and at the minimum limits shown in the Schedule Of Required Underlying Insurance And Limits.
- 18. *Temporary worker* means a person who is furnished to you to substitute for a permanent *private staff* member on leave.
- 19. *Watercraft* means a craft principally designed to be propelled on or in water by wind, engine power or electric motor. A model boat or hobby craft not used or designed to carry people is not considered a *watercraft*.

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**PERSONAL UMBRELLA COVERAGE**

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1. We will pay *damages* an *insured person* becomes legally liable to pay for *personal injury* or *property damage* caused by an *occurrence* to which this insurance applies:
  - a. In excess of *damages* covered by *required underlying insurance* plus the applicable limits of any other collectible insurance that covers the *insured person* for the *occurrence*;
  - b. From the first dollar where *required underlying insurance* either:
    - (1) Exists, but does not apply to the particular *occurrence*; or
    - (2) Is not required under this policy and no other collectible insurance exists.
2. Our total liability under this policy for all *damages* resulting from any one *occurrence* will not be more than the Personal Umbrella Liability limit as shown in the Declarations. This limit is the most we will pay regardless of the number of *insured persons*, claims made, persons injured, locations insured, or vehicles or *watercraft* involved in the *occurrence*.

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## EXTRA BENEFITS

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We will pay the following Extra Benefits only when *damages* are covered by this policy. These Extra Benefits are in addition to the Personal Umbrella Liability limit shown in the Declarations, unless noted otherwise.

### 1. Legal Services

- a. We will defend an *insured person* against any suit seeking *damages* caused by an *occurrence* to which this coverage applies. We will provide this defense at our expense by counsel selected in accordance with paragraph **g.** below, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate.
- b. We will have the right, but not the duty, to defend any *insured person* against any suit seeking *damages* covered by this policy if:
  - (1) The *occurrence* is covered by *required underlying insurance* or any other collectible insurance; or
  - (2) *Required underlying insurance* is not maintained.
- c. We may join, at our expense, with any *insured person* or any insurer providing *required underlying insurance* or any collectible insurance in the investigation, defense or settlement of any claim or suit which we believe may result in a claim under this policy. But we will not contribute to the costs and expenses incurred by an insurer providing *required underlying insurance* or any collectible insurance.
- d. In jurisdictions where we are prevented from defending an *insured person* for a covered loss because of laws or other reasons, we will pay any expenses incurred with our prior consent for the *insured person's* defense.
- e. As part of our defense, investigation or settlement, we will also pay the following expenses:
  - (1) Expenses we incur and costs taxed against an *insured person* in any suit we defend;
  - (2) Premiums on bonds required in a suit we defend, but not for bond amounts more than the limit of liability. We need not apply for or furnish any bond;
  - (3) Reasonable expenses incurred by an *insured person* at our request, including actual loss of earnings (but not loss of other income) up to \$1,000 per day, for assisting us in the investigation or defense of a claim or suit;
  - (4) Interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies; and
  - (5) All prejudgment interest awarded against an *insured person* on that part of the judgment we pay or offer to pay. We will not pay any prejudgment interest based on that period of time after we make an offer to pay the limit of liability that applies.
- f. Our duty to settle or defend or pay expenses ends when our limit of liability for the *occurrence* has been exhausted by payment of a judgment or settlement.
- g. An *insured person* may choose counsel from a panel of firms selected by us. If a panel counsel is not established in the jurisdiction where the suit is brought, we reserve the right to select counsel.

### 2. Private Consultation Coverage

- a. If we are defending an *insured person* for any suit seeking *damages* covered by this policy, we will pay up to \$25,000 for the reasonable expenses for a law firm of your choice to review and consult on the defense covered by this policy. Coverage only applies to expenses incurred after the date our defense has begun.
- b. You must obtain our approval before incurring any expenses.
- c. Any decision or recommendation by the law firm shall not be binding on us.

### 3. Reputation Damage Coverage

We will pay up to \$25,000 for the reasonable and necessary expenses that you incur for services performed by a public relations firm to minimize potential loss to the reputation of you or a *family member*. Public relations firm includes a media management consultant firm, investigative firm or law firm.

Coverage only applies if you:

- a. Report the *occurrence* to us as soon as possible, but not later than 30 days from when it occurred; and
- b. Obtain our approval before incurring any fees or expenses.

#### **4. Newly Acquired Auto And Watercraft Coverage**

- a. We cover *damages* from the first dollar if an *insured person* is legally obligated to pay for *bodily injury* or *property damage* caused by an *occurrence* resulting from an *insured person's* use of a newly acquired *auto* or *watercraft*, provided the *occurrence* is within the first 60 days after an *insured person* becomes the owner of the *auto* or *watercraft* and you pay the additional premium from the date of acquisition. We reserve our right not to continue to insure the *auto* or *watercraft*.
- b. We will provide this coverage in excess of any collectible insurance that applies to these *damages*.
- c. This Extra Benefit:
  - (1) Only applies within the first 60 days after an *insured person* becomes the owner of an *auto* or *watercraft*; and
  - (2) Is not in addition to the Personal Umbrella Liability limit.

#### **5. Rented Or Borrowed Auto And Watercraft Coverage**

- a. We cover *damages* from the first dollar if an *insured person* is legally obligated to pay for *bodily injury* or *property damage* caused by an *occurrence* resulting from an *insured person's* use of a rented or borrowed *auto* or *watercraft*, provided the rental or loan does not exceed 90 days.
- b. We will provide this coverage in excess of any collectible insurance that applies to these *damages*.
- c. This coverage does not cover *damages* an *insured person* is legally entitled to receive from the owner or operator of an uninsured or underinsured *auto* or *watercraft*.
- d. This coverage does not apply to any *auto* or *watercraft* that is:
  - (1) Furnished or available for an *insured person's* regular use; or
  - (2) Owned by any trust or legal entity formed by an *insured person*, or on an *insured person's* behalf.
- e. This Extra Benefit is not in addition to the Personal Umbrella Liability limit.

#### **6. Limited Employers' Liability**

We provide coverage in excess over *required underlying insurance*, or any other insurance, for *damages* which are not compensable under workers' compensation or similar laws and which an *insured person* is legally required to pay for *bodily injury* to *private staff*.

This Extra Benefit is not in addition to the Personal Umbrella Liability limit.

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### **DAMAGES WE DO NOT COVER**

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#### **1. Expected Or Intended Damage**

- a. We do not cover any *damages* arising out of any willful or malicious act or omission, or any other act or omission, committed by or at the direction of an *insured person* which is expected or intended to cause *personal injury* or *property damage*, even if the resulting *personal injury* or *property damage*:
  - (1) Is of a different kind, quality or degree than initially expected or intended; or
  - (2) Is sustained by a different person, entity, real or personal property, than initially expected or intended.
- b. An expected or intentional act or omission is one whose consequences could have been foreseen by a reasonable person.
- c. This exclusion does not apply to *damages* for *bodily injury* or *property damage* resulting from the use of reasonable force by an *insured person* to protect persons or property. The use of excessive force will not be considered reasonable.

## 2. Autos

We do not cover any *damages* that arise out of the ownership, maintenance, occupancy, operation, use, loading or unloading, entrustment to any person, failure to supervise or negligent supervision of any person, or vicarious liability of any person, of any *auto* to the extent such *auto* is not covered by the limits of *required underlying insurance*.

This exclusion does not apply to covered *damages* as provided under Extra Benefits **4. Newly Acquired Auto And Watercraft Coverage** and **5. Rented Or Borrowed Auto And Watercraft Coverage**.

## 3. Recreational Motor Vehicles

We do not cover any *damages* that arise out of the ownership, maintenance, occupancy, operation, use, loading or unloading, entrustment to any person, failure to supervise or negligent supervision of any person, or vicarious liability of any person, of any *recreational motor vehicle* to the extent such *recreational motor vehicle* is not covered by the limits of *required underlying insurance*.

When coverage is provided under this policy for *recreational motor vehicles*, it shall be on a *follow form* basis.

## 4. Watercraft

a. We do not cover any *damages* that arise out of the ownership, maintenance, occupancy, operation, use, loading or unloading, entrustment to any person, failure to supervise or negligent supervision of any person, or vicarious liability of any person, of any *watercraft*:

(1) That is 26 feet or more in length or more than 50 horsepower and is not shown in the Declarations. When coverage is provided under this provision **a.(1)**, it shall be on a *follow form* basis;

(2) That is less than 26 feet in length or 50 horsepower or less and to the extent such *watercraft* is not covered by the limits of *required underlying insurance*; or

(3) Is used for any *business* or commercial purpose.

b. This exclusion does not apply to:

(1) *Watercraft* that are stored; or

(2) Covered *damages* as provided under Extra Benefits **4. Newly Acquired Auto And Watercraft Coverage** and **5. Rented Or Borrowed Auto And Watercraft Coverage**.

## 5. Aircraft

We do not cover any *damages* that arise out of the ownership, maintenance, occupancy, operation, use, loading or unloading, towing, entrustment to any person, failure to supervise or negligent supervision of any person, or vicarious liability of any person, of any *aircraft*. However, this exclusion does not apply to a non-owned *aircraft* chartered with a crew by you or on your behalf.

## 6. Hovercraft

We do not cover any *damages* that arise out of the ownership, maintenance, occupancy, operation, use, loading or unloading, entrustment to any person, failure to supervise or negligent supervision of any person, or vicarious liability of any person, of any hovercraft, including but not limited to, flarecraft and air cushion vehicles.

## 7. Business

We do not cover any *damages* arising out of or in connection with a *business* engaged in by an *insured person*, whether or not the *business* is owned or operated by an *insured person* or employs an *insured person*. This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the *business*.

This exclusion does not apply to:

a. Residences listed in the Declarations that you own and rent to others for private residential purposes;

b. The use of a private passenger *auto* by an *insured person* for *business* purposes, other than an *auto* business or an *auto* used for public or livery purposes;

c. An *incidental business*; or

- d. Any *damages* for *bodily injury* or *property damage* arising out of the physical condition of a residence or other structure shown in the Declarations when *business* activities are legally conducted by you or a *family member* in that residence or other structure, but only if:
- (1) You or a *family member* do not have any employees involved in the *business* activities who are subject to workers' compensation or other similar disability laws;
  - (2) You or a *family member* are not a home day care provider; and
  - (3) There is no other valid collectible insurance;

unless another exclusion applies.

#### **8. Employment Practices**

- a. We do not cover any *damages* arising out of any employment or personnel related practices, policies, acts or omissions, including but not limited to:
- (1) Refusal to employ or termination of employment;
  - (2) Coercion, criticism, demotion, failure to promote, evaluation, reassignment, discipline, defamation, self-defamation, harassment, humiliation, discrimination, libel, slander, false arrest or imprisonment, and violation of a person's right of privacy; or
  - (3) Any consequential injury or *damages* as a result of (1) or (2) above.
- b. This exclusion applies:
- (1) To all claims, demands, charges, complaints or suits by any person or organization for *damages*, including *damages* for care and loss of services;
  - (2) Whether an *insured person* may be held liable as an employer or in any other capacity either directly or indirectly related to employment; and
  - (3) To repay or share *damages* with another person who may be obligated to pay *damages* because of such injury or liability.

#### **9. Professional Services**

We do not cover any *damages* arising out of the rendering of or failure to render professional services.

#### **10. War**

We do not cover any *damages* caused directly or indirectly by war, including the following and any consequence of any of the following:

- a. Undeclared war, civil war, insurrection, rebellion or revolution;
- b. Warlike act by a military force or military personnel; or
- c. Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

#### **11. Nuclear Hazard**

We do not cover any *damages* caused directly or indirectly by nuclear reaction, radiation or radioactive contamination, regardless of how it was caused, or any consequence of any of these.

#### **12. Communicable Disease**

We do not cover any *damages* which arise out of any communicable disease from an *insured person*, including but not limited to:

- a. The transmittal of;
  - b. Exposure to;
  - c. Perceived threat of; or
  - d. Fear of transmittal or exposure to;
- any communicable disease.

#### **13. Molestation, Harassment Or Abuse**

We do not cover any *damages* arising out of:

- a. Sexual molestation;
- b. Sexual harassment;



- c. Physical or mental abuse; or
  - d. Corporal punishment;
- whether intended or not.

**14. Discrimination**

We do not cover any *damages* arising out of actual, alleged or threatened discrimination or harassment due to age, race, color, sex, religion, national origin, sexual orientation or preference, handicapped status or any other protected class or characteristic established by any federal, state or local statutes, rules or regulations.

**15. Controlled Substance**

We do not cover any *damages* arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs.

However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the lawful orders of a licensed health care professional.

**16. Criminal Or Dishonest Acts**

We do not cover any *damages* arising out of criminal, dishonest or fraudulent acts or omissions by or at the direction of an *insured person*, even if such *insured person* is not actually charged with or convicted of a crime, including if the *insured person* enters a no-contest plea.

**17. Contractual Liability**

We do not cover any *damages* arising from:

- a. Contracts or agreements made in connection with the *business* of an *insured person*;
- b. Unwritten contracts or agreements; or
- c. Contracts or agreements in which the liability of others is assumed after an *occurrence*. However, even if the liability of others is assumed before an *occurrence*, there is no coverage under this provision c. if another exclusion applies.

**18. Directors And Officers Liability**

We do not cover any *damages* arising out of an act or omission of an *insured person* as an officer or member of a board of directors of a corporation or organization.

However, this exclusion does not apply if the corporation or organization is not-for-profit and the *insured person* receives no compensation other than reimbursement of expenses, unless another exclusion applies.

**19. Civic Activities**

We do not cover any *damages* arising out of civic or public activities performed by an *insured person*.

However, we do cover *damages* for you or a *family member* if:

- a. The annual compensation of the civic or public activity does not exceed \$20,000; and
  - b. The hours required to perform the civic or public activity do not exceed an annual average of 20 hours of work per week;
- during the *policy period*, unless another exclusion applies.

**20. Assessments**

We do not cover any assessments charged against you as a member of an association, corporation or community of property owners.

**21. Racing**

We do not cover any *damages* arising out of the ownership, maintenance, occupancy, operation, use, loading or unloading, entrustment to any person, failure to supervise or negligent supervision of any person, or vicarious liability of any person, of any *auto, recreational motor vehicle* or *watercraft* if at the time of an *occurrence*, the *auto, recreational motor vehicle* or *watercraft*:

a. Is being operated in, or practicing for, any prearranged or organized race, speed contest or other similar competition, including but not limited to timed events, rallies, sports events or stunting activities; or

b. Is on a racetrack, test track or any other track or course of any kind.

However, this exclusion does not apply to a sailing vessel.

**22. Driving For Hire**

We do not cover any *damages* arising out of the ownership, maintenance, occupancy, operation, use, loading or unloading, entrustment to any person, failure to supervise or negligent supervision of any person, or vicarious liability of any person, of any *auto* while it is being used as a public or livery conveyance.

However, this exclusion does not apply to a share-the-expense car pool, unless another exclusion applies.

**23. Resident Liability**

We do not cover:

a. Any *damages* for *personal injury* to you or a *family member*, or

b. Any claim made or suit brought to repay or share *damages* with another person who may be obligated to pay *damages* because of *bodily injury* or *personal injury* to you or a *family member*.

**24. Non-Permissive Use**

We do not cover any person who uses an *auto*, *recreational motor vehicle* or *watercraft* without permission from you or a *family member*.

**25. Workers' Compensation Or Disability**

We do not cover any *damages* or benefits an *insured person* is legally required to provide or voluntarily provides under any:

a. Workers' compensation law;

b. Unemployment compensation;

c. Disability benefits;

d. Occupational disease law;

e. Jones Act or General Maritime Law; or

f. Other similar laws.

**26. Employment-Related Benefits Or Unpaid Wages**

We do not cover any *damages* or benefits an *insured person* is legally required to provide or voluntarily provides for any:

a. Employment-related benefits;

b. Retirement benefits;

c. Stock options;

d. Perquisites;

e. Deferred compensation or any other type of similar compensation;

f. Improper payroll deductions;

g. Unpaid wages; or

h. Overtime pay for hours actually worked or labor actually performed.

**27. Damage To Owned Or Non-Owned Property**

We do not cover any *damages* for *property damage* to property:

a. Owned by an *insured person*; or

b. Rented to, occupied or used by or in the care, custody or control of an *insured person* to the extent that the *insured person* is obligated by contract to provide insurance for such property. However, this exclusion **b.** does not apply to:

- (1) Fire, smoke or explosion, unless another exclusion applies; or
- (2) The extent coverage is provided under Extra Benefit 5. Rented Or Borrowed Auto And Watercraft Coverage.

#### **28. Auto Services**

We do not cover any *damages* arising out of the ownership, maintenance or use of an *auto* by an *insured person* while employed or engaged in the business of selling, repairing, servicing, storing, parking, testing, or delivering *autos* designed for use mainly on public highways.

However, this exclusion does not apply to you, a *family member*, or your partner, agent or *private staff* for *damages* arising out of the ownership, maintenance or use of an *auto* owned by, rented to, or furnished to you or a *family member*.

#### **29. Watercraft Services**

We do not cover any *damages* arising out of the ownership, maintenance or use of a *watercraft* by an *insured person* while employed by or engaged by, or is operating a marina, *watercraft* sales agency, shipyard, *watercraft* repair yard, yacht club, *watercraft* service station or other similar organization.

However, this exclusion does not apply to *damages* arising out of the ownership, maintenance or use of a covered *watercraft* by you, a *family member*, or your captain or your full-time paid crew member maintaining or using this *watercraft* with permission from you or a *family member*.

#### **30. Named Driver Exclusion**

We do not cover any *damages* arising out of the ownership, care or use of an *auto*, *watercraft* or *recreational motor vehicle* while being operated by an *insured person* who is specifically excluded from coverage under any *required underlying insurance* while operating an *auto*, *watercraft* or *recreational motor vehicle*.

#### **31. Uninsured/Underinsured Motorists And No-Fault Coverages**

We do not provide:

- a. Automobile no-fault or any similar coverage under this policy; or
- b. Uninsured Motorists Coverage, Underinsured Motorists Coverage, or any similar coverage unless this policy is endorsed to provide such coverage.

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### **CONDITIONS**

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#### **1. Duties After Occurrence**

In case of an *occurrence* covered by this policy, we have no duty to provide coverage unless there has been full compliance with the following duties by an *insured person* or their representative:

- a. Give written notice to us or our agent as soon as is practical, which sets forth:
  - (1) The identity of the policy and the Named Insured shown in the Declarations;
  - (2) Reasonably available information on the time, place and circumstances of the *occurrence*; and
  - (3) Names and addresses of any claimants and witnesses;
- b. Cooperate with us in the investigation, settlement or defense of any claim or suit;
- c. Promptly forward to us every notice, demand, summons or other process relating to the *occurrence*;
- d. At our request, help us:
  - (1) To make settlement;
  - (2) To enforce any right of contribution or indemnity against any person or organization who may be liable to an *insured person*;
  - (3) With the conduct of suits and attend hearings and trials; and
  - (4) To secure and give evidence and obtain the attendance of witnesses;
- e. No *insured person* shall, except at such *insured person's* own cost, voluntarily make payment, assume obligation or incur expense to others.

## 2. Concealment Or Fraud

We do not provide coverage to an *insured person* who, whether before or after an *occurrence*, has:

- a. Intentionally concealed or misrepresented any material fact or circumstance;
- b. Engaged in fraudulent conduct; or
- c. Made false statements;

relating to this insurance.

## 3. Termination

### a. Cancellation

- (1) You may cancel this policy at any time by letting us know in writing of the future date cancellation is to take effect.
- (2) We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.
  - (a) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
  - (b) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.
  - (c) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:
    - (i) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or
    - (ii) If the risk has changed substantially since the policy was issued.  
This can be done by letting you know at least 30 days before the date cancellation takes effect.
- (3) When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- (4) If the return premium is not refunded with the notice of cancellation or when this policy is canceled by you, we will refund it within a reasonable time after the date cancellation takes effect.

### b. Nonrenewal

We may elect not to renew this policy. We may do so by delivering to you, or mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

## 4. Liberalization Clause

If we broaden the coverages provided by this policy without an additional premium charge, the changes will automatically apply to this policy as of the effective date on which the changes are adopted in your state.

## 5. Waiver Or Change Of Policy Provisions

This policy contains all the agreements between you and us. Its terms may not be changed or waived except by endorsement issued by us. If a change requires a premium adjustment, we will adjust the premium as of the effective date of the change.

## 6. Legal Action Against Us

- a. No action can be brought against us unless there has been full compliance with all of the terms of this policy.
- b. No one will have the right to join us as a party to any action against an *insured person*.
- c. No action can be brought against us until the obligation of such *insured person* has been determined by final judgment or agreement signed by us.

**7. Severability Of Insurance**

This insurance applies separately to each *insured person*. This condition will not increase our limit of liability for any one *occurrence*.

**8. Other Insurance**

This insurance is excess over other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

**9. Bankruptcy**

Bankruptcy or insolvency of an *insured person* will neither:

- a. Relieve us of our obligations under this policy; nor
- b. Operate to cause this policy to become primary in the event the *insured person* is unable to satisfy any *required underlying insurance* either because of insufficient underlying insurance or insufficient personal assets.

**10. Transfer**

Your rights and duties under this policy may not be assigned without our written consent. However, if you die, coverage will be provided for the following for the remainder of the *policy period* unless canceled:

- a. The surviving spouse if a resident in the same household at the time of death. Coverage applies to the spouse as if a named insured shown in the Declarations;
- b. Any member of your household who is an *insured person* at the time of your death, but only while a resident of the residence shown in the Declarations; or
- c. The legal representative of the deceased person as if a named insured shown in the Declarations. This applies only with respect to the representative's legal responsibility to maintain or use your *autos, recreational motor vehicles, watercraft* or the residence shown in the Declarations.

**11. Appeals**

If an *insured person* or any insurer providing underlying insurance elects not to appeal a judgment which exceeds the limit that would require payment by this policy, we may do so at our own expense. We will pay all costs, taxes, expenses and interest related to our appeal. The amounts we pay will be in addition to our limit of liability.

**12. Our Right To Recover Payment**

If we make a payment to a person under the terms of this policy, that person's right to recover any payments is automatically transferred to us. The person must do nothing after loss to impair such rights of recovery. The person who receives our payment agrees to:

- a. Sign and deliver all related papers and cooperate in every possible way to assist with our effort to recover payments; and
- b. Do nothing to jeopardize or interfere with our ability to recover payments.

**13. Policy Period And Territory**

The *policy period* is stated in the Declarations. This policy applies to an *occurrence* which takes place anywhere in the world.

**14. Conformance With State Law**

If part of this policy does not comply with the laws of the state in which it is written, that part is amended to comply with those laws.

**15. Maintenance Of Required Underlying Insurance And Limits**

An *insured person* must maintain the *required underlying insurance* at the limits shown in the Schedule Of Required Underlying Insurance And Limits. If an *insured person* fails to maintain *required underlying insurance* at the limits shown in the Schedule Of Required Underlying Insurance And Limits, we will not be liable under this policy for more than we would have been liable if that *required underlying insurance* was in effect at the limits shown in the Schedule Of Required Underlying Insurance And Limits.

This Condition also applies if *required underlying insurance* is maintained but not available to an *insured person* for any reason, including but not limited to:

- a. The underlying insurer is bankrupt, insolvent or in receivership;
- b. An *insured person* has breached the terms or conditions of that *required underlying insurance*; or
- c. The terms, conditions or limits have been reduced or restricted for specific exposures and we did not give our prior written consent.

**16. Transfer Of Control**

You may take control of any outstanding claim or suit previously reported to us only if we both agree that you should, or if a court orders you to do so. If your limits are exhausted, we will notify you of all outstanding claims or suits so that you can take control of the defense. We will help transfer control to you. We shall take whatever steps are necessary to continue the defense of any outstanding claim, and avoid a default judgment during the transfer of control to you. If we do so, we shall not waive or give up any of our rights. You shall pay all reasonable expenses we incur for taking such steps after the limits have been exhausted.