

Boatowners

**Insurance
Policy**



Allstate[®]
You're in good hands.



Thank you for giving me the opportunity to act as your personal insurance advisor. As your Allstate representative, I'm committed to ensuring you receive the very best in service in addition to the quality protection this policy provides.

This policy booklet, along with the personal Declaration Pages you receive, are valuable documents. They explain the specific details of the coverage you've purchased. Please take some time to read them carefully and store them in a safe place for future reference.

By necessity, these documents include terms and language common to any important legal contract. If you have any questions regarding this policy or other insurance needs, please feel welcome to contact me. I'll be happy to help you.

Thank you, once again, for placing your trust in me. I look forward to serving you for many years to come.

Your Allstate Representative
Allstate Insurance Company of Canada

Our Claim Service Pledge

We understand how upsetting an accident or other loss can be. We're here to help provide you with "peace of mind". We'd like to begin by letting you know what you can expect from us.

- 3** *We will let you know what coverages your policy provides and how your claim will be handled.*
- 3** *We will recommend a repair service if you wish, and we will guarantee the quality of repairs. Or, you may choose a repair service if you prefer.*
- 3** *We will promptly respond to your phone messages and letters – usually within one business day.*
- 3** *We will provide a prompt and fair evaluation of your claim.*

If at any time you are not satisfied with our handling of your claim, please let us know. If you wish to speak with a manager, you are welcome to call.



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BOAT POLICY

Allstate will pay (a) for all direct physical loss of or damage to the insured property; and (b) such sums for which the insured is legally liable arising out of salvage of the insured property, including persons thereon; hereinafter called loss, less the applicable deductible amount, if any, shown in the Declarations, subject to the terms and conditions of this policy. In the event of an occurrence resulting in total loss of an insured boat, the deductible, with respect to such occurrence, shall be waived.

DEFINITIONS

You and Your

“You” and “your” mean the person(s) named as insured on the Declarations page and, while living in the same household:

- his or her spouse;
- any relatives of either; or
- any person under 21 in their care.

“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 3 years or, if they are the natural or adoptive parents of a child, for a period of 1 year.

In addition, a student who is enrolled in and actually attends a school, college or university and is dependent on the named insured or his or her spouse for support and maintenance is also insured even if temporarily residing away from the principal residence.

Only the person(s) named on the Declarations page may take legal action against us.

Under the Watercraft Liability Coverage and the Watercraft Medical Payments Coverage, “you” and “your” also means:

- a) any other person using the watercraft with your permission; and
- b) any other person liable for your use of the watercraft.

Allstate, We, Us, and Our

Allstate, “we”, “us” or “our” means the company named on the Declarations page.

Actual Cash Value

The replacement cost of the covered property at the time of loss or damage, less deduction for depreciation caused by wear and tear or deterioration.

Boat, Vessel and Hull

Means your boat described on the Declarations page and its permanently attached equipment. If sailboat, includes its sails, spars and rigging and its other attached equipment.

Boat Equipment, Auxiliary Equipment

Portable boating equipment and accessories owned by you and used with your watercraft;

Dinghies and tenders and their outboard motors owned by you and used to service your watercraft; and Citizen band radios, ship to shore radios, fish finders, depth finders, global positioning systems, radar detectors, sonar and other transmitting and receiving systems while in your watercraft, unless permanently attached to your Boat.

Boat Equipment does not include boat trailers, fuel, provisions, cameras, portable radios, other than Citizen band radios and ship to shore radios, fishing equipment, water skis, wake boards, tubes and other sporting equipment and personal effects.

Bodily Injury

Bodily injury, sickness or disease, including required care, loss of services and resulting death. Under Watercraft Medical Payments coverage, “Bodily Injury” means bodily injury, sickness or disease including required care but specifically excludes loss of services and resulting death.

Business

Any continuous or regular pursuit undertaken for financial gain including trade, profession or occupation. This includes a boat repair yard, marina, yacht club, boat sales agency, boat service station, shipyard or similar boat business. Entertainment of business clients for recreational or leisure time activities on your watercraft is not considered a Business.

Inherent Vice

That which is a natural fault or failing of the property such as rusting, corrosion or similar occurrence.

Latent Defect

Means a hidden flaw or defect in the construction of the Vessel and/or machinery which is not readily discovered by a competent person using reasonable skill in an ordinary inspection.

Lay-Up

Means the Vessel being laid-up ashore, properly winterized and out of commission.

Motor

An outboard or inboard or inboard/outboard motor including remote controls, electric harness, the battery and pressure control tanks.

Named Insured

The person(s) named on the Declarations page.

Newly Acquired Watercraft

A boat, motor or boat trailer which you acquire ownership of during the current premium period that are not excluded in this policy.

This newly acquired boat, motor or boat trailer must:

- a) replace property insured by the policy; or
- b) be additional property.

Coverage under this policy applies to newly acquired watercraft only if you notify us in writing, within 7 days after the property is acquired by you and you pay any additional premium due. Newly acquired watercraft specifically insured elsewhere is excluded.

Non-Owned Watercraft

Property of similar size and type as your watercraft, used with the owner’s permission, and not owned by or furnished for the regular use of an insured person.

Occurrence

An accident, including repeated or continuous exposure to substantially the same harmful conditions, which takes place during the policy period without the insured’s knowledge.

Para-sailing, Parakiting

Means using your Vessel to tow a person in a device designed for flight.

Personal Property

Property owned by you but does not include:

1. jewellery, watches, precious and semi-precious stones, furs;
2. money, bank notes, bullion, gold including gold ware and gold-plated ware, silver including silverware and silver-plated ware, pewter ware, platinum, coins and medals;
3. securities, accounts, deeds, evidence of debt, letters of credit, notes other than bank notes, manuscripts, passports, tickets and stamps;
4. trailers not used with watercraft;

5. boat, motors, boat trailers, or any other attached equipment;
6. motor vehicles;
7. property which is separately described and specifically insured, in whole or in part, by this or any other insurance; and
8. guns.

Personal Watercraft

Means a Vessel which uses an inboard motor powering a water jet pump as its primary source of motive power and which is designed to be operated by a person sitting, standing, or kneeling on the Vessel. This policy does not cover Vessels which do not meet this definition of Personal Watercraft.

Property Damage

Physical damage to or destruction of tangible property, including loss of its use.

Predicted Log Cruise

A timed race where the boat "checks in" at pre-designated locations.

Reasonable

The action a prudent person would take or accept to further their own interests. This action should not be:

- a) insufficient;
- b) excessive; or
- c) extreme.

Replacement Cost

The reasonable cost to replace all or part of an item lost or damaged. This cost will be at the price level of labour and materials prevailing at the time of loss or damage.

Temporary Substitute Watercraft

Property of similar size and type as your watercraft, not owned by an insured person while being temporarily used because your watercraft:

- a) is being serviced or repaired; or
- b) has been stolen or destroyed.

Tender

A small boat of less than 16 feet in overall length or less, usually stored on or attached to the larger boat, and principally used to travel to and from the mooring of your covered boat.

Terrorism

"Terrorism" means:

- (a) an act or omission, in or outside Canada
 - (i) that is committed
 - (A) in whole or in part for a political, religious, social, philosophical or ideological purpose, objective or cause, and
 - (B) in whole or in part with the intention or the apparent intention of intimidating the public, or any segment of the public, with regard to its security, including its economic security, or compelling a person, a government or a domestic or an international organization, or any segment of those, to do or refrain from doing any act or thing, and
 - (ii) that
 - (A) causes death or serious bodily harm to a person by the use of violence,
 - (B) endangers a person's life,
 - (C) causes a serious risk to health or safety of the public or any segment of the public,
 - (D) causes property damage, whether to public or private property, if causing such damage is likely to result in the conduct or harm referred to in clauses (A) to (C), or
 - (E) causes serious interference with or serious disruption of an essential service, facility or system, whether public or private, other

than as a result of advocacy, protest, dissent or stoppage of work that is not intended or apparently intended to result in the conduct or harm referred to in any of the clauses (A) to (C), and includes any attempt or threat to commit any such act or omission,

- (b) any act or omission that at the time of its commission would be defined to be "terrorist activity" within the meaning of that term under the Criminal Code (Canada), as amended from time to time.

Uninsured Boat

A boat in respect of which there is no bodily injury policy in force, or if the policy is in force, the insurer denies coverage or becomes insolvent. It also refers to a hit and run boat whose operator or owner cannot be identified and hits you or a boat which you are occupying. An uninsured boat does not include a boat:

1. owned by, furnished, or available for the regular use by you or a resident relative;
2. owned or operated by a self-insurer as defined by law; or
3. owned by any government or its agency.

Watercraft

1. Your watercraft;
2. Temporary substitute watercraft; and
3. Non-owned watercraft.

Your Watercraft

The boats and motors described on the Declarations page; and Newly acquired watercraft.

POLICYHOLDER WARRANTIES

Absolute Warranty

In order to keep this policy in effect, you must make, and must keep, certain promises. These are known as warranties.

The following absolute warranties apply to this insurance:

1. The Vessel will be used solely for Private Pleasure Purposes. The Vessel may not be chartered or leased or used for any commercial purpose.
2. The Vessel will not be used for living on board as a residence.
3. The Vessel will be kept in a seaworthy condition whenever afloat and/or being operated.
4. The Vessel will not be equipped with a liquefied petroleum (propane) or natural gas powered refrigerator or heater or utilize any apparatus on board which is operated by a pilot light.

If any of the above absolute warranties in this section have been breached, Coverage will cease immediately and cannot be reinstated once the violation ends. You will have no Coverage from the date of the breach.

Suspensive Warranty

If any of the suspensive warranties in this section have been breached, You will have no Coverage during the time of the breach. Coverage will be reinstated once the violation ends. The following suspensive warranties apply to this insurance.

1. The Vessel will be used only within the Navigation Limits stated within this policy.
2. The Vessel will not be used in any race or speed test. This warranty does not apply to sailboats.
3. Except for those Vessels operating within the WEST COAST Navigation Limits, Your Vessel must be laid-up ashore, properly winterized and out of commission during the following period:
 - West of the Ontario/Manitoba border except for British Columbia: November 1st to May 1st (12:01 a.m.)
 - British Columbia: December 1st to April 1st (12:01 a.m.);
 - East of the Ontario/Manitoba border: December 1st to April 1st (12:01 a.m.)
 During the lay-up period Your Vessel may not be used for living on board at any time.

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 Vessel at the time of loss there will be no coverage during the time of the breach.

Pleasure Vessel Warranty

Your Vessel must be used only for private pleasure purposes. For the purpose of this insurance, private pleasure purposes will include: Entertainment of business clients for pleasure purposes provided your Vessel is not being chartered or hired.

OTHER ALLSTATE INSURANCE

Notwithstanding anything to the contrary contained in this or any other contract of insurance between you and Allstate, if any loss covered under this policy is covered in whole or in part under any other policy or policies of insurance issued by Allstate, Allstate shall pay under whichever one policy affords the highest coverage limit for such loss and the other policy or policies shall not apply in respect of such loss, or, if such policies afford equal coverage limits, then Allstate shall pay under this policy and the other policy or policies shall be null and void in respect of such loss.

Insurance Provided by Another Insurer

Unless otherwise indicated in this policy, if there exists valid insurance issued by an insurer other than Allstate protecting the insured person against any loss covered in whole or in part under this policy, this policy shall be null and void in respect of such loss, whether the insured person is specifically named in said other policy or policies or not; unless the limits of insurance in this policy are in excess of the aggregate of the limits provided by said other policy or policies, in which case the policy shall provide excess insurance against said loss in an amount sufficient to give the insured person a combined amount of protection equal to the limits of the policy.

INSURING AGREEMENT

This policy, together with your Declarations page and any endorsements is a legal contract between you and us. We agree to provide the coverage described in this policy subject to its terms. You agree to pay premiums when due and to comply with the terms of this policy. This policy applies only to a covered loss which occurs during the policy period as shown on the Declarations page and any special amendatory endorsements.

Policy Conditions

This policy is not valid unless countersigned by our authorized representative. The premium for this policy is based on information you have given us. You agree to cooperate with us in determining if the information is correct and complete. You agree that if the information you have given us changes, is incorrect, or is incomplete, we may adjust your premium accordingly during the premium period or in the event we feel it is necessary, cancel the insurance, at our option. Any calculation of your premium or changes in your coverage will be made using the rules, rates and forms on file, if required, for our use in your province. The rates in effect at the beginning of the premium period will be used to calculate any changes in your premium.

Changes

The terms of this policy may not be waived or changed by notice to or knowledge possessed by any agent or other person, but only by policy endorsement. Such terms of this policy as are in conflict with statutes of the province in which this policy is issued are hereby amended to conform.

Hold Harmless Agreement

Permission is granted to You to sign "hold harmless" agreements with yacht clubs, marinas and other authorities where such agreements are necessary and customary. At our discretion, You may be required to provide copies of such agreement to Us.

Sue and Labour

It is the duty of the insured person in the event that any property insured hereunder is lost to take all reasonable steps in and about the recovery of such property.

Allstate shall contribute pro rata towards any reasonable and proper expenses in connection with the foregoing according to the respective interests of the parties.

Effect of Policy Acceptance

By acceptance of this policy the named insured agrees that the statements in the application for insurance are his or her agreements and representations, and that this policy embodies all agreements, relating to this insurance, existing between himself and Allstate or any of its agents.

Liberalization of Policy

If, after the issuance of this policy and before its expiration, there be adopted and published for use in this Province, any forms, endorsements or rules by which the insurance provided by this policy could be extended or broadened without additional premium charge, either by endorsement or substitution of form, then, as to loss occurring after the effective date of such adoption and publication, such extended or broadened insurance shall inure to the benefit of the insured hereunder as though such endorsement or substitution of form has been made.

Policy Transfer

You may transfer this policy to another person only with our prior written consent.

Continuing Coverage After Your Death

If the named insured dies, coverage will continue until the end of the premium period for:

- 1) the legal representative of the named insured while acting as such, but only with respect to the property covered under this policy on the date of his/her death; and
- 2) the named insured and any person having proper temporary custody of the covered property until a legal representative is appointed and qualified, but only with respect to the property covered under this policy on the date of their death.

CANCELLATION

We may cancel this policy by giving the named insured fifteen days notice of cancellation by registered mail addressed to the most recent address appearing on our records, or five days' written notice of cancellation personally delivered.

The named insured may cancel this policy at any time on request.

If the named insured cancels this policy or if we cancel this policy, the return premium, subject to a minimum premium of \$25, shall be computed in accordance with the following seasonal table:

Month	% Earned
January	2 %
February	2 %
March	2 %
April.....	5 %
May	10 %
June	20 %
July	20 %
August.....	20 %
September	10 %
October	5 %
November	2 %
December	2 %

Where we cancel the contract, the refund shall accompany the notice unless the premium is subject to adjustments or determination as to amount, in which case the refund shall be made as soon as practicable.

The refund may be made by money, postal or express company money order or cheque payable at par.

If we cancel, payment or tender of return premium is not a condition of cancellation.

Our Right Not to Continue or Renew

Allstate has the right not to continue or renew the policy beyond the current premium period. If we don't intend to continue or renew the policy, we will mail you registered notice at least 30 days before the end of the premium period. Our mailing the notice of non-renewal to you, addressed to your most recent address appearing on our records, shall be deemed to be proof of cancellation.

Misrepresentation or Fraud

This insurance shall be void if the insured person has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof or in the case of any fraud, attempted fraud or false statement by the insured person touching any material relating to this insurance or the subject thereof, whether before or after loss.

SECTION 1 PHYSICAL DAMAGE - COVERAGE PD

We cover loss or damage to:

1. the boats, motors, boat equipment, and boat trailers described on the Declarations page under Coverage PD;
2. your newly acquired watercraft; or
3. your boat equipment used with the covered boat when that boat equipment is stored away from the covered boat, subject to:
 - a) a limit of 20% of the Amount of Insurance on your Physical Damage coverage, exclusive of trailer, shown on the Declarations; and
 - b) the Amount of Insurance on your boat being reduced by the coverage provided for this boat equipment while it is stored away.

Losses We Cover:

We will pay for physical damage to the property described in Coverage PD, except as limited or excluded in this policy.

Losses We Do Not Cover:

We do not cover loss to the property described in Coverage PD resulting in any manner:

1. which is due and confined to wear and tear (including Means the Vessel being laid-up ashore, properly winterized and out of commission, marring, chipping, scratching, denting and electrolysis); gradual deterioration, inherent vice, flaw, overheating, mould, insects (such as but not limited to termites), fungi and spores, vermin (such as but not limited to skunks or raccoons), rodents (such as but not limited to squirrels, mice or bats), wet or dry rot, freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, or mechanical breakdown and in no event shall there be any liability under this policy for the cost and expense of replacing or repairing any defective part of any of the covered property;
2. from repairing, adjusting or servicing, or maintenance operations, unless fire or explosion ensues, and then only for loss caused by such ensuing fire or explosion;
3. to tires and tubes, unless damaged by fire, malicious mischief, vandalism or theft or unless the loss be coincident with and from the same cause as other loss covered by this policy;
4. from a latent or physical defect. This exclusion applies only to the item having the latent or physical defect;
5. from negligence or wilful misconduct of an insured person's employees or agents;
6. from negligence or wilful misconduct of any person to whom the property is entrusted;
7. from intentional or criminal acts of an insured person, if the loss that occurs:
 - a) may be reasonably expected to result from such acts; or
 - b) is in fact the intended result of such acts;

8. from damage occurring while the property is used:
 - a) in any illegal transportation or trade;
 - b) by others under a lease, rental or charter agreement;
 - c) for the transportation of people or property for a fee; or
 - d) in a business;
9. from damages occurring while your watercraft is in any sanctioned race, speed or jumping contest. This exclusion does not apply when your watercraft is:
 - 1) a sailboat (sails not included); or
 - 2) in a Predicted Log Cruise;
10. from confiscation or seizure by a government authority;
11. from conversion or embezzlement of your watercraft by any person in possession of your watercraft which is subject to a bailment lease, conditional sale, purchase agreement or encumbrance;
12. from neglect by an insured person to take all reasonable steps to save and preserve property at and after a loss or when the property is endangered by a loss we cover;
13. from nuclear action, meaning nuclear reaction, discharge, radiation or radioactive contamination, or any consequence of any of these. Loss caused by nuclear action is not considered loss by fire, explosion or smoke;
14. from war or warlike acts, including insurrection, rebellion or revolution; terrorism or any activity or decision of a government, government agency or other entity to prevent, respond to or terminate terrorism;
15. where the insured person operates the watercraft:
 - (i) while under the influence of intoxication liquor or drugs to such an extent as to be for the time being incapable of the proper control of the watercraft; or
 - (ii) while in a condition for which the insured person is convicted of an offence under Section 253 of the Criminal Code (Canada) or under or in connection with circumstances for which the insured person is convicted of an offence under Section 254 of the Criminal Code (Canada).
16. which occur while the Personal Watercraft is operated by any person who is not qualified to do so (this includes but is not limited to persons under sixteen (16) years of age, or a person not in possession of a Pleasure Craft Operators Card or equivalent training);
17. from overheating;
18. from internal blockage of cooling water passages by zebra mussels;
19. from land transportation of the insured Vessel beyond a radius of 1,000 kilometers from the location your Vessel is usually laid-up.

ADDITIONAL COVERAGES

1. Necessary Repairs After a Loss

We will pay the reasonable expense for necessary repairs to protect covered property from further loss following a loss we cover. This protection does not increase the amount of insurance that applies to the property being repaired.

2. Emergency Service

We will pay up to \$100 in the aggregate per occurrence for the following reasonable expense you incur resulting from the following emergency service to your watercraft or boat trailer:

- a) mechanical labour at the place of its breakdown;
- b) towing to the nearest garage, marina, service station or other service point where the necessary repairs can be made;
- c) towing it out if it is stuck;
- d) delivery of fuel, oil, battery, or change of tire. We do not pay for the cost of these items.

The policy deductible does not apply to Emergency Service Coverage.

3. Wreck Removal

As an additional amount of insurance and up to the limit of Coverage PD, we will pay the reasonable cost you incur for any attempted or actual raising, removal or destruction of the wreck of your watercraft, if:

- a) the peril causing the loss is covered; and
- b) removal or destruction of the wreck is required by law or governmental authority.

SECTION 1 CONDITIONS

1. Deductible

If we cover more than one boat, a deductible applies to each boat and its boat equipment, motor and boat trailer, if any, as shown on the Declarations page. Otherwise, no more than one deductible shall apply to loss arising out of one occurrence.

Despite anything in this contract,

- (a) the insurer shall be liable only for amounts in excess of the applicable deductible amount, if any, mentioned in this contract; and
- (b) any provision in this contract relating to an obligation of the insurer to pay an amount or to repair, rebuild or replace property that is damaged or lost shall be satisfied by paying the amount determined by deducting any applicable deductible amount from:
 - (i) the amount the insured would otherwise be entitled to recover, or
 - (ii) the cost of repairing, rebuilding or replacing the property.

2. Territorial Limits

Inland Waters in Canada and the continental U.S.A.:

Not south of 40° north and not north of 60° north and within 55 nautical miles offshore.

East Coast:

Limited to not north of 52° north and not south of 40° north within Canadian and U.S. coastal waters only and within 55 nautical miles offshore.

West Coast:

- 1) Limited to the coastal waters between Vancouver Island and mainland British Columbia and Northwest Washington, not outside of lines drawn between the following points or places:
 - i) Cape Flattery on the mainland of Washington State and Owen Point on the Southwest side of Vancouver Island;
 - ii) Cape Sutil on the Northern West tip of Vancouver Island and Allison Harbour on the mainland of British Columbia;
- 2) Barkley Sound on the West side of Vancouver Island, to Port Alberni and not west of a line drawn between Cape Beale and Amphitrite point.
At no time are You to proceed:
 - i) more than 20 nautical miles offshore; or
 - ii) on the Fraser River east of the mouth of the Sumas River.

3. Seaworthiness Warranty

You warrant that your watercraft will be kept in a safe and navigable condition whenever afloat and /or being operated.

4. Insurance Interest and Our Liability

In the event of a covered loss, we will not pay for more than the insurable interest of an insured person in the property covered, nor more than the amount of coverage afforded by the policy.

5. What You Must Do After a Loss

In the event of a loss to any property that may be covered by Section 1 of this policy, you must:

- a) promptly give us or our agent written notice and report any theft to the police as soon as possible;
- b) protect the insured property, whether or not the loss is covered by this policy, and any further loss due to your failure to protect shall not be recoverable under this policy; but reasonable expenses incurred in affording such protection shall be deemed incurred at Allstate's request;

- c) give us a detailed list of the damaged, destroyed or stolen property, showing the quantity, description, actual cash value and the amount of loss claimed;
 - d) produce available bills, receipts and related documents, or certified copies, that substantiate the loss claimed;
 - e) as often as we reasonably require:
 - 1) show us the damaged property; and
 - 2) submit to examination under oath and sign a transcript of the same;
- and

- f) at our request, provide us with a signed, sworn Proof of Loss within 60 days of our request for Proof of Loss (we will provide the forms) including the following information:
 - 1) the date, location and cause of loss;
 - 2) the interest you and others have in the property, including any encumbrances;
 - 3) other insurance that may cover the loss;
 - 4) any changes in ownership of the property that have occurred during the period; and
 - 5) an inventory of the damaged or stolen property described in 5.c.

6. Our Settlement Options

In the event of a covered loss, we have the option to:

- a) repair, rebuild or replace all or any part of the damaged, destroyed or stolen property with property of like kind and quality within a reasonable time; or
- b) pay for all or any part of the damaged, destroyed or stolen property; or
- c) there shall be no abandonment of your watercraft to us without our consent. If we exercise the option to replace your watercraft or pay the actual cash value of your watercraft the salvage, if any, shall vest in us. We will notify the named insured of the option or options we intend to exercise within 30 days after we receive your signed, sworn Proof of Loss.

7. How We Settle A Loss

Deductible: We will be responsible only for the amount by which the loss or damage caused by any of the insured perils exceeds the amount of the deductible shown on the Declarations page in any one occurrence.

Covered loss under Coverage PD: Your Property will be settled on the basis of actual cash value unless your watercraft is five years of age or under and you exercise your option to settlement based on replacement cost as described in (ii) as follows:

8. i.) Actual Cash Value

This means there will be a deduction for depreciation less any applicable deductible. In making an actual cash value settlement, payment will not exceed the least of the following amounts:

- 1) the cost of repairing the property, in accordance with generally accepted shipyard repair practices, or of replacing the property, less appropriate depreciation;
- 2) the applicable amount of insurance stated on the Declarations page;
- 3) your insurable interest in the property; and
- 4) \$30,000 for newly acquired watercraft.

ii.) Replacement Cost

If your watercraft is five years of age or under, settlement, at your option may be made on the following basis:

Unless otherwise indicated on the Declarations page, for watercraft five years old or under, it is hereby understood and agreed that the property insured under Coverage PD is and shall be valued as the amount stated on the Declarations page.

All claims arising from an insured peril which are settled on a replacement cost basis will be paid without any deduction for depreciation, however, no recovery for total loss shall be had hereunder unless all said property is lost

absolutely or unless the expense of recovering and repairing the property shall exceed such amount.

In making a replacement cost settlement our payment will not exceed the least of the following:

- 1) the replacement cost of the property;
- 2) the applicable amount of insurance stated on the Declarations page;
- 3) your insurable interest in the property; and
- 4) \$30,000 for newly acquired watercraft.

We will not pay more than the actual cash value of loss or damage to:

1. your canvas, sails, tenders, propellers, and trailers and losses due to the theft of outboard motors;
2. to you if you do not repair or replace the damage, destroyed, or stolen item(s); and
3. antiques or items of a similar nature which, by their inherent nature, cannot be replaced with a comparable article.

9. Recovery Cost

Loss to the boat and motor described on the Declarations page will be regarded as a total loss when the expense of recovering the damaged property would exceed our limit of liability.

10. Examination of Insured

The named insured shall submit to examination under oath, and shall produce for examination at such reasonable place and time as is designated by us or our representative all documents in his or her possession or control that relate to the matters in question, and the named insured shall permit extracts and copies thereof to be made.

11. Our Payment of Loss

We will settle any covered loss with the named insured. We will pay the named insured unless another payee is named in the policy. We will pay within 60 days after the amount of loss is finally determined. This amount may be determined by an agreement between the named insured and us, a court judgement, or an appraisal award.

12. Appraisal

If the named insured and Allstate fail to agree on the amount of loss, either party may make written demand for an appraisal. Upon such demand each party must select a competent and impartial appraiser and notify the other of the appraiser's identity within 20 days after the demand is received. The appraisers will select a competent and impartial umpire. If the appraisers are unable to agree upon an umpire within 15 days, the named insured or Allstate can ask a judge of a court of record in the province where the named insured lives, to select an umpire.

The appraisers shall then determine the amount of loss, stating separately the actual cash value and the amount of loss to each item. If the appraisers submit a written report of an agreement to us, the amount agreed upon shall be the amount of loss. If they cannot agree, they will submit their differences to the umpire. A written award by any two will determine the amount of loss.

Each party will pay the appraiser it chooses, and equally bear the expenses for the umpire and all other appraisal expenses.

13. Abandoned Property

We are not obliged to accept any property abandoned by an insured person.

14. Our Right(s) to Recover Payment

When we pay for any loss, your rights of recovery from anyone else become ours up to the amount we have paid. You must protect these rights and help us enforce them.

15. Suit Against Us

No suit or action may be brought against us unless there has been full compliance by you with all the policy terms. Any suit or action must be brought within one year after the date of loss.

16. No Benefit to Bailee

This insurance will not benefit any person or organization who may be caring for or handling your property for a fee.

17. Loss Payable Clause

If a loss payee is named on the Declarations page, any loss payable under Section 1 shall be paid to the named insured and the loss payee as interests appear. Loss covered under Section 1 will be adjusted with the named insured only.

18. Insurance Provided by Another Insurer

If both this insurance and insurance of another insurer apply to a loss, we will pay our share. Our share will be the proportionate amount that the limits of this insurance bears to the total limits of all applicable insurance.

19. Loss to Pair or Set

In case of loss to a pair or set, we may elect to:

1. repair or replace any part to restore the pair or set to its value before the loss; or
2. pay the difference between the actual cash value of the property before and after loss.

20. Pre-existing Damage

Pre-existing damage: We will not pay for unrepaired or pre-existing damage, incurred before the commencement of this policy or, in addition to the payment of a subsequent loss.

21. Maintenance Cost

We will not pay for regular maintenance costs associated with the Vessel in addition to the payment of a subsequent loss.

22. Salvage

There shall be no abandonment of the Vessel to the insurer without the insurer's consent. If the insurer exercises the option to replace the Vessel or pays the actual cash value of the Vessel, the salvage, if any, shall vest in the insurer.

SECTION 2 WATERCRAFT LIABILITY - COVERAGE AA

We will pay all sums within our limit of liability arising from an occurrence which you become legally obligated to pay as compensatory damages because of Bodily Injury or Property Damage resulting from the ownership, maintenance, or use of covered Watercraft, Boat Equipment or Boat trailers.

We may investigate or settle any claim or suit for covered damages against an insured person. If an insured person is sued for damages for which coverage is provided under the policy, we may provide a defence with counsel of our choice, even if the allegations are groundless, false or fraudulent. We reserve the right to select legal counsel and will only pay for the legal counsel we select. We are not obligated to pay any claim or judgement after we have exhausted our limit of liability.

Defence Costs

We will provide a defence at Our expense against any suit seeking Covered damages for Bodily Injury or Property Damage. We will provide this defence with counsel of Our choice, even if the suit is groundless, false or fraudulent. We may investigate, negotiate, and settle any claim or suit at Our discretion. We can also control the defence, and We will have the right to settle a claim or suit if We think that is best. We will pay only for the legal counsel We select. Our obligation to settle or defend ends when the amount we pay for damages and defence costs equals the Amount of Insurance as shown in the Declarations page.

Limits of Liability

Unless otherwise stated in this policy, the limit of liability shown against Section 2 in the Declarations page is the most we will pay for all damages resulting from any one occurrence.

Losses We Do Not Cover:

1. We do not cover any Bodily Injury or Property Damage:
 - a) resulting from or which may reasonably be expected to result from any intentional or criminal acts or failure to act by:
 - i) any person insured by this policy; or
 - ii) any person at the direction of any person insured by this policy;
 - b) incurred while any Watercraft or Boat trailer is used:
 - i) in any illegal transportation or trade;
 - ii) by any others under a lease, rental or charter agreement; or
 - iii) for the transportation of people or property for a fee;
 - c) incurred while any Watercraft is in any sanctioned race, speed or jumping contest. This exclusion does not apply when Your Watercraft is:
 - i) a sailboat (sails not included); or
 - ii) in a Predicted Log Cruise;
 - d) incurred while any Watercraft is:
 - i) being carried in or upon a motorized land vehicle; or
 - ii) on a trailer attached to, or being towed by, a motorized land vehicle;
 - e) incurred while any Boat trailer is attached to, or is being towed by, a motorized land vehicle;
 - f) arising out of the past or present Business pursuits of an insured person;
 - g) arising out of the rendering of or failure to render professional services;
 - h) caused by civil commotion, act of foreign enemy, invasion, war or civil war, Terrorism or any activity or decision of a government, government agency or other entity to prevent, respond to or terminate Terrorism, insurrection, rebellion, revolution, military power or by operation of armed forces while engaged in hostilities, whether war be declared or not;
 - i) from nuclear action, meaning nuclear reaction, discharge, radiation, or radioactive contamination, or any consequence of any of these. Loss caused by nuclear action is not considered loss by fire, explosion or smoke;
 - j) arising out of sexual battery, physical contact or touching of a sexual nature and emotional abuse or harassment of a sexual nature committed by any person insured under this policy;
 - k) arising out of the taking of or failure to take any action to prevent, stop or report a sexual battery, physical contact or touching of a sexual nature and emotional abuse or harassment of a sexual nature committed by any person.
2. We do not cover Bodily Injury to you or Property Damage to property owned by an insured person.
3. We do not provide coverage for Bodily Injury to any person to the extent that such person is eligible to receive benefits required or permitted to be provided in respect thereof under any Federal or Provincial Statute.
4. We do not cover any liability you assume under any unwritten contract or agreement. If written we must see it and give our approval in writing. We will not cover any contract or agreement in connection with a business of an insured person.
5. We do not cover Property Damage to property rented to, occupied or used by or in the care of an insured person. This exclusion doesn't apply to a launching ramp, dock or boat storage house rented exclusively to you.
6. We do not cover Bodily Injury or Property Damage arising out of the use, operation or ownership of any Watercraft contrary to or not in accordance with the requirements of the Regulations of the Canada Shipping Act.

Among other things this means particularly that you are not insured for any use, operation, maintenance or ownership of a personal Watercraft, as defined under the Canada Shipping Act, by any person under the age of sixteen (16) years or a person who does not have proof of competency.

7. We do not cover Bodily Injury or Property Damage arising out of Para-sailing or Parakiting.
8. We do not cover Bodily Injury or Property Damage arising out of operation, maintenance or use of watercraft not insured by this policy.
9. We will not pay any amount You are required to pay as a fine or penalty, assessed by any government authority.
10. We will not pay any amount awarded for punitive or exemplary damages.

SECTION 2 UNINSURED BOATERS – COVERAGE EE

What Is Covered:

We will pay damages which you are legally entitled to recover from the owner or operator of an uninsured boat because of bodily injury caused by an accident. The owner's or operator's liability for these damages must arise out of the ownership, maintenance, or use of the uninsured boat.

We do not provide uninsured boat coverage for bodily injury:

- a) to any person while occupying or when struck by an uninsured boat owned by you;
- b) if any person or legal representative settles the bodily injury claim without our prior written consent; or
- c) to benefit an insurer or self-insurer under any Workers' or Workmen's Compensation, disability benefits or similar law.

The limit of our liability for uninsured boaters coverage is \$5000 for all damages resulting from one accident. This is the most we will pay regardless of the number of persons covered.

SECTION 2 WATERCRAFT MEDICAL PAYMENTS – COVERAGE CC

Losses We Cover:

We will pay the reasonable expenses incurred for necessary medical, surgical, x-ray and dental services; ambulance, hospital, licensed nursing and funeral services; and prosthetic devices, eye glasses, hearing aids, and pharmaceuticals. These expenses must have resulted from the ownership, maintenance or use of covered watercraft, boat equipment or boat trailers by an insured person.

These expenses must be incurred and the services performed within three years from the date of an accident causing bodily injury covered by this policy.

Payments for these expenses will also be made to the insured person if the insured person sustains bodily injury while in the water if struck by any boat.

Losses We Do Not Cover:

1. We do not cover any bodily injury:
 - a) resulting from or which may reasonably be expected to result from any intentional or criminal acts or failure to act, by:
 - i) any person insured by this policy; or
 - ii) any person at the direction of any person insured by this policy;
 - b) incurred while any Watercraft or Boat trailer is used:
 - i) in any illegal transportation or trade;
 - ii) by any others under a lease, rental or charter agreement; or
 - iii) for the transportation of people or property for a fee;
 - c) incurred while any Watercraft is in any sanctioned race, speed or jumping contest. This exclusion does not apply when Your Watercraft is:
 - i) a sailboat (sails not included); or
 - ii) in a Predicted Log Cruise;

SECTION 2 CONDITIONS

- d) to a person who is a trespasser;
 - e) arising out of Para-sailing or Parakiting;
 - f) incurred while any Watercraft is:
 - i) being carried in or upon a motorized land vehicle; or
 - ii) on a trailer attached to, or being towed by, a motorized land vehicle;
 - g) incurred while any Boat trailer is attached to, or is being towed by, a motorized land vehicle;
 - h) arising out of the past or present Business pursuits of an insured person;
 - i) arising out of the rendering of or failure to render professional services;
 - j) caused by civil commotion, act of foreign enemy, invasion, war or civil war, terrorism, or any activity or decision of a government, government agency or other entity to prevent, respond to or terminate Terrorism, insurrection, rebellion, revolution, military power or by operation of armed forces while engaged in hostilities, whether war be declared or not.
2. We do not provide coverage for Bodily Injury to any person to the extent that such person is eligible to receive benefits required or permitted to be provided in respect thereof under any Federal or Provincial Statute or under any Workers Compensation Act or similar legislation.

SECTION 2 ACCIDENTAL DEATH BENEFITS – COVERAGE ADB

If Protection and Indemnity Coverage has been purchased or is shown as included on the Declarations page, and if by the operation of the Vessel, You, Your spouse, or dependent children should suffer a fatal accident; We shall pay in the event of such Occurrence:

- \$ 10,000.00 for the death of the Named Insured;
- \$ 5,000.00 for the death of the spouse; and
- \$ 1,000.00 for the death of each dependent child;

provided such death(s) occurs within 12 months from the date of the accident. All such payments shall be made to the estate of the deceased.

ADDITIONAL COVERAGES

We will pay, in addition to the limits of liability:

- a) all expenses which we incur;
- b) all costs charged against you in any suit that is insured under Section 2 Watercraft Liability;
- c) any interest accruing after judgement, or where applicable, interest accruing from the date of the action, or determined by the court, on that part of the judgement which is within the amount of insurance shown on the Declarations page as Liability Coverage;
- d) premiums on bonds required in any suit we defend. We will not pay bond premiums for an amount that is more than our limit of liability. We have no obligation to apply for or furnish bonds;
- e) up to \$300 for each bail bond needed because of an accident or violation of boating safety regulations. We have no obligation to apply for or furnish bonds;
- f) up to \$100 per day for loss of wages and salary, when we ask you to attend trials and hearings; and
- g) any other reasonable expenses incurred by an insured person at our request.

1. Territorial Limits

Inland Waters in Canada and the continental U.S.A.:East Coast:

Limited to not north of 52° north and not south of 40° north within Canadian and U.S. coastal waters only and within 55 nautical miles offshore.

West Coast:

1) Limited to the coastal waters between Vancouver Island and mainland British Columbia and Northwest Washington, not outside of lines drawn between the following points or places:

- i) Cape Flattery on the mainland of Washington State and Owen Point on the Southwest side of Vancouver Island;
- ii) Cape Sutil on the Northern West tip of Vancouver Island and Allison Harbour on the mainland of British Columbia;

2) Barkley Sound on the West side of Vancouver Island, to Port Alberni and not west of a line drawn between Cape Beale and Amphitrite point.

At no time are You to proceed:

- i) more than 20 nautical miles offshore; or
- ii) on the Fraser River east of the mouth of the Sumas River.

2. What You Must Do After an Accidental Loss

In the event of Bodily Injury or Property Damage that may be covered by Section 2 of this policy, you must do the following things:

- a) promptly notify us or our agent, in writing, stating:
 - 1) your name and policy number;
 - 2) the date, the place and the circumstances of the loss;
 - 3) the name and address of anyone who might have a claim against an insured person; and
 - 4) the names and addresses of any witnesses;
- b) promptly send us any legal papers relating to the accident; and
- c) at our request, an insured person will:
 - 1) cooperate with us and assist us in any matter concerning a claim or suit;
 - 2) help us enforce any right of recovery against any person or organization who may be liable to an insured person; and
 - 3) attend any hearing or trial.

Any insured person will not voluntarily pay any money, assume any obligations or incur any expense, other than for first aid to others at the time of the loss as provided for in this policy.

3. What an Injured Person Must Do – Uninsured Boater and Watercraft Medical Payments

If someone is injured, that person, or someone acting for that person, must do the following:

- a) promptly give us written proof of the loss. If we request, this must be done under oath;
- b) give us written authorization to obtain copies of all medical records and reports; and
- c) permit doctors we select to examine the injured person as often as we may reasonably require.

4. Our Payment of Loss – Watercraft Medical Payments

We may pay the injured person or the provider of the medical services. Payment under this coverage is not an admission of liability by us or an insured person.

5. Our Limit of Liability – Medical Payments

Regardless of the number of insured persons, injured persons, claims, claimants or policies involved, our total liability under the Watercraft Liability coverage for damages resulting from one accidental loss will not exceed the limit therefore shown of the Declarations page. All bodily injury and property

damage resulting from one accidental loss or from continuous or repeated exposure to the same general conditions is considered the result of one accidental loss.

Our total liability under the Watercraft Medical Payments coverage for all expense payable for bodily injury to any one person shall not exceed the "each person" limit shown on the Declarations page.

6. Bankruptcy:

We are not relieved of any obligation under this policy because of the bankruptcy or insolvency of an insured person.

7. Our Right to Recover Payment – Watercraft Liability, Medical Payments and Uninsured Boater

When we pay any loss, an insured person's right to recover from anyone else becomes ours up to the amount we have paid. An insured person must protect these rights and help us enforce them.

8. Suit Against Us

- a) No suit or action can be brought against us unless there has been full compliance by you with all the terms of this policy.
- b) No suit or action can be brought against us under the Watercraft Liability coverage until the obligation of an insured person to pay is finally determined either by judgement against the insured person after actual trial, or by written agreement of the insured person, injured person, and us.
- c) No one shall have any right to make us a party to a suit to determine the liability of an insured person.

9. Insurance Provided by Another Insurer – Watercraft Liability – Medical Payments and Uninsured Boater

If there exists valid insurance issued by an insurer other than Allstate protecting the insured person against any loss covered in whole or in part under Section 2, this policy shall be null and void in respect of such loss, whether the insured person is specifically named in said policy or policies or not; unless the limits of insurance in this policy are in excess of the aggregate of the limits provided by said other policy or policies, in which case this policy shall provide excess insurance against said loss in an amount sufficient to give the insured person a combined amount of protection equal to the limits of this policy.

10. Defence Costs

We will provide a defence at Our expense against any suit seeking Covered damages for Bodily Injury or Property Damage. We will provide this defence with counsel of Our choice, even if the suit is groundless, false or fraudulent. We may investigate, negotiate, and settle any claim or suit at Our discretion. We can also control the defence, and We will have the right to settle a claim or suit if We think that is best. We will pay only for the legal counsel We select. Our obligation to settle or defend ends when the amount We pay for damages and defence costs equals the Amount of Insurance as shown in the Declarations page.

SECTION 3 PERSONAL PROPERTY – COVERAGE PP

Property We Cover:

We will pay for property damage to personal effects owned by you while aboard your watercraft.

Limitations of Liability

The limit of our liability for each loss is \$500. Each claim will be adjusted separately and \$50 will be deducted from each claim. In case of loss, we will not pay more than the Actual Cash Value of this property at the time of loss.

Property We Do Not Cover:

We do not cover:

- a) property specifically described and insured by this or any other insurance;
- b) money, jewellery, precious and semi-precious stones, watches, gold including gold ware and gold-plated ware, pewterware, silver including silverware and silver-plated ware, platinum, furs, traveller's cheques, bank notes, bullion, coins and medals, securities, accounts, deeds, evidence of debt, letters of credit, notes other than bank notes, manuscripts, passports, tickets, stamps, or other valuable papers;
- c) animals, birds or fish;
- d) contact lenses and prosthetic devices;
- e) trailers including but not limited to utility trailers and house trailers not used with Watercraft;
- f) motor vehicles;
- g) expense caused by or resulting from wear and tear, gradual deterioration, corrosion, mechanical breakdown, or climate changes; or
- h) guns.

Losses We Do Not Cover:

We do not cover loss:

- a) resulting from a loss we do not cover in Section 1 of this policy;
- b) resulting from mysterious disappearance; or
- c) caused solely by breakage of eyeglasses, cameras, photographic lenses, glassware and similar fragile articles, unless caused by fire, explosion, collision or sinking of your watercraft.

How We Settle A Loss

We will not pay more than the least of the following amounts:

- a) the actual cash value of the covered property at the time of loss;
- b) the amount necessary to repair or replace the damaged or stolen property; and
- c) any special limit described for this additional coverage.

Deductible

We will pay only the amount of the covered loss under this additional coverage which exceeds a \$50 deductible. No more than one deductible shall apply to loss arising out of one occurrence.

Insurance Provided by Another Insurer

If both this insurance and insurance of another insurer apply to a loss, we will pay our share. Our share will be the proportionate amount that the limits of this insurance bears to the total limits of all applicable insurance.

This policy is subject to the terms and conditions set forth herein together with such other terms and conditions as may be endorsed hereon or added hereto. No term or condition of this policy shall be deemed to be waived in whole or in part by the Insurer unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by the Insurer.

IN WITNESS WHEREOF, the insurer has caused this policy to be signed by its Secretary and President.


Secretary


President



Allstate Insurance Company of Canada
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