

## PIERS AND WHARVES COVERAGE

In consideration of an additional premium **shown on the Piers and Wharves Coverage Declarations page**, it is understood and agreed, scheduled piers and wharves at the following location are covered as per the limits of insurance, terms, conditions, and exclusions contained herein:

### LOCATION

See Declarations Page

### LIMITS OF INSURANCE

See Declarations Page

1. This insurance to cover physical loss or damage to covered property, as described in 2. below, directly caused by fire, lightning, explosion, windstorm, flood, wave action, frost and/or freezing, weight of ice and/or snow, collision with ship, vessel or floating object and contact with aircraft or object dropped therefrom.
2. Covered property, as used in this coverage part, means the type of property described herein.
  - A) **Your Docks**, which consists of your piers, wharves, docks, floats, platforms, gangplanks, pilings, walkways, wiring, appurtenant plumbing, ground tackle, moorings, buoys listed in the Schedule, roofs, coverings, and all other property permanently attached thereon which forms a part thereof while at the location(s) listed as a Scheduled Location in the Declarations.
  - B) **Your Business Personal Property**, which consists of the following property located in or on the property described in 2.A) above:
    - (1) Furniture and fixtures;
    - (2) Machinery and equipment;
    - (3) All other personal property owned by you and used in your business;
    - (4) Labor, materials or services furnished or arranged by you on personal property of others;
    - (5) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations, or additions:
      - (a) Made a part of the building or structure you occupy but do not own; and
      - (b) You acquired or made at your expense but cannot legally remove;
    - (6) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property of Others.

But covered property shall not include breakwaters, bulkheads, jetties, retaining walls, ripraps, sea walls or any similar property built or designed to control water movement or erosion unless such property is specifically scheduled in the Declarations.

3. The Company will not pay for expenses or physical loss or damage to covered property until the amount of the expenses or physical loss or damage exceeds the applicable deductible as shown in the Declarations. The Company will then pay the amount of expenses or physical loss or damage to covered property in excess of the applicable deductible up to the applicable Docks Limit as shown in the Declarations.
  - A) **AOP:** If physical loss or damage to covered property does not arise out of windstorm, flood, wave-action, weight of ice and/or snow, or any other cause of loss as shown in the Declarations with a deductible, the AOP applicable AOP deductible as shown in the Declarations will apply.
  - B) **Multiple Deductibles:** Except as described in **Multiple Docks** below, if a single claim results in the application of multiple deductibles, only the highest such applicable deductible shall apply.
  - C) **Multiple Docks:** If covered property includes more than one dock as described in the Declarations, a separate deductible applies to the expenses and physical loss or damage to each of Your Docks and Your Business Personal Property on each of Your Docks as described in the Declarations.
  - D) **Windstorm, Flood, Wave-Action, Weight of Ice and/or Snow:** Except as described in **Multiple Docks** above, claims arising out of windstorm, flood, wave-action, or weight of ice and/or snow occurring during any one period of 72 hours shall be deemed to be one occurrence and shall be subject to a single deductible.
4. The Company shall not be liable beyond the actual cash value of the property at the time any loss or damage occurs, and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality.
5. Notwithstanding the foregoing, this Company will not pay for:
  - A) Loss or damage caused by the loss of sea-bed and/or river and/or the undermining of foundations and/or supporting piles caused by erosion, subsidence and/or change of sea-bed or river;
  - B) Loss or damage caused by an action of marine life;
  - C) Loss or damage caused by or resulting from:
    - (1) Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack,
      - (a) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military naval or air forces; or
      - (b) by military, naval or air forces; or
      - (c) by an agent of any such government, power, authority or forces;
    - (2) Hostile or warlike action in time of peace or war, including action in hindering, combating or defending Any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
    - (3) Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating, or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade;
  - D) Loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against in this Section; however, subject to the foregoing and all provisions of this Section, direct loss by fire resulting from nuclear radiation or radioactive contamination is insured against by this Section;
  - E) Loss or damage resulting from mechanical failure, faulty construction or errors in design, wear and tear or any quality in the property that causes it to damage or destroy itself, hidden or latent defect, or gradual deterioration; or
  - F) Loss or damage caused directly or indirectly by hail, regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

**6. SPECIAL CONDITIONS****A) OTHER INSURANCE:**

This insurance shall not cover to the extent of any other insurance whether prior or subsequent hereto in date, and by whomsoever affected, directly or indirectly, covering the same property and the Company shall be liable for loss or damage only for the excess value beyond the amount of such other insurance.

**B) MISREPRESENTATION AND FRAUD:**

This entire policy shall be void if, whether before or after a loss, the Insured has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the Insured therein, or in case of any fraud, attempted fraud, or false swearing by the Insured relating thereto.

**C) CHANGES:**

Notice to any agent or knowledge possessed by any agent or by any other person shall not affect a waiver or a change in any part of this section or stop the Company from asserting any right under the terms of this section, nor shall the terms of this section be waived or changed, except by endorsement issued to form a part of this section.

**D) NOTICE OF LOSS:**

The Insured shall as soon as practicable, report in writing to the Company or its agent every loss, damage or occurrence which may give rise to a claim under this section and shall also file with the Company or its agent within sixty (60) days from date of discovery of such loss, damage or occurrence, a detailed sworn proof of loss.

**E) EXAMINATION UNDER OATH:**

The Insured, as often as may be reasonably required, shall exhibit to any person designated by the Company all that remains of any property herein described, and shall submit, and insofar as is within his or their power, cause his or their employees, members of the household and others to submit to examinations under oath by any person named by the Company and subscribe the same; and, as often as may be reasonably required, shall produce for examination all writings, books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or its representative, and shall permit extracts and copies thereof to be made. No such examination under oath or examination of books or documents, nor any other act of the Company or any of its employees or representatives in connection with the investigation of any loss or claim hereunder, shall be deemed a waiver of any defense which the Company might otherwise have with respect to any loss or claim, but all such examinations and acts shall be deemed to have been made or done without prejudice to the Company's liability.

**F) SETTLEMENT OF LOSS:**

All adjusted claims shall be paid or made good to the Insured within sixty (60) days after presentation and acceptance of satisfactory proof of interest and loss at the office of the Company. No loss shall be paid or made good if the Insured has collected the same from others.

**G) NO BENEFIT TO BAILEE:**

This insurance shall in no way inure directly or indirectly to the benefit of any carrier or other bailee.

**H) SUBROGATION OR LOAN:**

If in the event of loss or damage, the Insured shall acquire any right of action against any individual, firm or corporation for loss of, or damage to, property covered hereunder, the Insured will, if requested by the Company, assign and transfer such claim or right of action to the Company or, at the Company's option, execute and deliver to the Company the customary form or loan receipt upon receiving an advance of funds in respect of the loss or damage; and will subrogate the Company to, or will hold in trust for the Company all such rights of action to the extent of the amount paid or advanced, and will permit suit to be brought in the Insured's name under the direction of and at the expense of the Company.

**I) PROTECTION OF PROPERTY:**

In case of loss, it shall be lawful and necessary for the Insured, his or their factors, servants and assigns, to sue, labor, and travel for in and about the defense, safeguard and recovery of the property insured hereunder, or any part thereof, without prejudice to this insurance, nor shall the acts of the Insured of the Company, in recovering, saving and preserving the property insured in case of loss be considered a waiver or an acceptance of abandonment. The expenses so incurred shall be borne by the Insured and the Company proportionately to the extent of their respective interests.

**J) SUIT:**

No suit, action or proceeding for the recovery of any claim under this section shall be sustainable in any court of law or equity unless the same be commenced within **twelve (12) months** next after discovery by the Insured of the occurrence which gives rise to the claim, provided however, that if by the laws of the State within which this section is issued, such limitation is invalid, then any such claim shall be void, unless such action, suit or proceeding be commenced within the shortest limit of time permitted by the laws of such state.

**K) APPRAISAL:**

If the Insured and the Company fail to agree as to the amount of loss, each shall, on the written demand of either made within **sixty (60) days** after receipt of proof of loss by the Company, select a competent and disinterested appraiser, and the appraisal shall be made at reasonable time and place. The appraisers shall first select a competent and disinterested umpire, and, failing for **fifteen (15) days** to agree upon such umpire then, on the request of the Insured or the Company, such umpire shall be selected by a judge of a court of record in the State in which such appraisal is pending. The appraisers shall then appraise the loss, stating separately, the actual cash value at the time of loss and the amount of loss, and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The Insured and the Company shall each pay his or its chosen appraisers and shall bear equally the other expenses of the appraisal and umpire. The Company shall not be held to have waived any of its rights by any act relating to appraisal.

**L) COINSURANCE:**

This insurance will not pay the full amount of any loss if the value of the piers and wharves at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the applicable deductible as described in Paragraph 3. above from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

**Example No. 1 (Underinsurance):**

When:	The value of the piers/wharf is	\$	250,000
	The Coinsurance percentage for it is		80%
	The Limit of Insurance for it is	\$	100,000
	The applicable deductible is	\$	2,500
	The amount of loss is	\$	40,000
Step (1):	$\$250,000 \times 80\% = \$200,000$		
	(the minimum amount of insurance to meet your Coinsurance requirements)		
Step (2):	$\$100,000 \div \$200,000 = .50$		
Step (3):	$\$40,000 \times .50 = \$20,000$		
Step (4):	$\$20,000 - \$2,500 = \$17,500$		

We will pay no more than \$17,500. The remaining \$22,500 is not covered.

**Example No. 2 (Adequate Insurance):**

When:	The value of the property is	\$	250,000
	The Coinsurance percentage for it is		80%
	The Limit of Insurance for it is	\$	200,000
	The applicable deductible is	\$	2,500
	The amount of loss is	\$	40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$250,000 \times 80\%$ ). Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than \$37,500 (\$40,000 amount of loss minus the deductible of \$2,500). If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

**Example No. 3:**

When:	The value of property is:		
	Piers/wharves at Location No. 1	\$	75,000
	Piers/wharves at Location No. 2	\$	100,000
	Floating Property at Location No. 2	\$	75,000
		\$	250,000
	The Coinsurance percentage for it is		90%
	The Limit of Insurance for Buildings and Personal Property at Location Nos. 1 and 2 is	\$	180,000
	The applicable deductible is	\$	1,000
	The amount of loss is:		
	Bldg. at Location No. 2	\$	30,000
	Personal Property at Location No. 2.	\$	20,000
		\$	50,000
Step (1):	$\$250,000 \times 90\% = \$225,000$		
	(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)		
Step (2):	$\$180,000 \div \$225,000 = .80$		
Step (3):	$\$50,000 \times .80 = \$40,000$		
Step (4):	$\$40,000 - \$1,000 = \$39,000$		

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

**M) CANCELLATION:**

This insurance may be cancelled by the Insured by surrender thereof to the Company or any of its authorized agents or by mailing to the Company, written notice stating when thereafter such cancellation shall be effective. This section may be cancelled by the Company, by mailing to the Insured at the address shown in this policy, or last known address written notice stating when, not less than **thirty (30) days** thereafter, such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date of the cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice, either by the Insured or by the Company shall be equivalent to mailing.

If the Insured cancels, earned premiums shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made at the time cancellation is effected and, if not then made, shall be made as soon as practicable after cancellation becomes effective. The Company's check, or the check of its representative mailed or delivered as aforesaid shall be sufficient tender of any refund of premium due to the Insured.