

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## UNINSURED WATERCRAFT COVERAGE

This endorsement modifies insurance provided under the following:

### PROTECTION AND INDEMNITY COVERAGE FORM

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#### COVERAGE

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“We” pay up to the Uninsured Watercraft Limit for all compensatory damages that the “insured” is legally entitled to recover from the owner or operator of an uninsured watercraft because of “bodily injury” sustained by the “insured”. Liability for “bodily injury” to the “insured” must arise out of the ownership, maintenance or use of an uninsured watercraft .

1. **Nonbinding Judgment** – Any judgment for damages arising out of a suit brought against the owner or operator of an uninsured watercraft without “our” written consent is not binding on “us”.
2. **Uninsured Watercraft Is** —Any watercraft that causes “bodily injury” to the “insured”:
  - a. For which no “bodily injury” liability bond or policy applies at the time of the “occurrence”; or
  - b. That is a hit-and-run watercraft and the owner or operator of that watercraft cannot be identified; or
  - c. For which “bodily injury” coverage is in force at the time of the “occurrence” but the insuring company:
    - (1) Becomes insolvent; or
    - (2) Denies coverage.

An uninsured watercraft does not include any of the following:

- a. A watercraft denied coverage by “us” under Protection and Indemnity Coverage of this form; or
- b. A watercraft owned by a governmental unit or agency.

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#### EXCLUSIONS

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1. **Owned Watercraft Not Covered By This Policy** - “We” do not pay for “bodily injury” sustained by any “insured” while occupying or when struck by any “vessel” owned, rented, borrowed or leased watercraft.
2. **Parasailing or Kite Skiing** – “We” do not pay for “bodily injury” to any person while using a parasail, kite, hang glider, or similar device designed for flight.
3. **Racing, Speed Test or Stunting Activity** – “We” do not pay for “bodily injury” to any person while that person is involved in an organized or impromptu race including, but not limited to:
  - a. Preparation for a race;
  - b. Participation in a race; or
  - c. Practicing or qualifying for a race.

A race means any competition for speed or endurance, whether against another competitor or time.

“We” also do not pay for “bodily injury” to any person while that person is involved in an organized or impromptu contest involving stunts.

This exclusion does not apply to sailboats in an organized or impromptu race.
4. **Settled Claims** – “We” do not pay for “bodily injury” to any person or that person’s legal representative who settles a “bodily injury” claim with any person who may be liable without “our” consent.

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**ARBITRATION**


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The following arbitration provisions apply to Uninsured Watercraft:

1. **Conditions for Arbitration** – If the “insured” and “we” do not agree:
  - a. Whether the “insured” is legally entitled to recover damages; or
  - b. As to the amount of damages;
 either party may make a written request for arbitration.
2. **Selecting an Arbitrator** – Each party will select an arbitrator and notify the other of the arbitrator’s identity within 20 days after the receipt of the written request. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction.
3. **Location and Rules for Arbitration** – Arbitration will take place in the county in which the “insured” lives, unless both parties agree otherwise. Local rules of law regarding procedure and evidence will apply.
4. **Arbitrators Decision** – A decision by any two arbitrators will be binding. The arbitrators may not award more than the “limits” available.
5. **Expenses** – Each party will pay the expenses it incurs and bear the expense of the third arbitrator and all other expenses equally.

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**HOW MUCH WE PAY**


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1. **Limit** – The “limit” shown on the Declarations for Uninsured Watercraft Coverage is the most “we” pay for each “occurrence”. This applies regardless of the number of:
  - a. Persons qualifying as an “insured” under this form; or
  - b. Claims made or suits brought; or
  - c. “Vessels” or “boating equipment” or premiums shown on the Declarations; or
  - d. “Vessels” or “boating equipment” involved in an “occurrence”; or
  - e. Policy periods involved.
2. **Reduction of Amounts Payable**  
 “Limits” otherwise available for damages under Uninsured Watercraft Coverage, will be reduced by:
  - a. Damages paid because of “bodily injury” by or on behalf of persons or organizations who may be legally responsible;
  - b. Amounts paid or payable for “bodily injury” under any law or regulation covering:
    - (1) U.S. Longshore and Harbor Workers’ Compensation Act;
    - (2) Workers’ Compensation;
    - (3) Non-occupational disability; or
    - (4) Occupational disease.
3. **Aggregate Limit** – The maximum “we” will pay in any policy period, regardless of the number of “occurrences”, is the “limit” shown on the Declarations for Protection and Indemnity Coverage.  
 No one will be entitled to receive duplicate payments for the same elements of loss under this coverage.
4. **Insurance Under More than One Policy**
  - a. If this form and any other form or policy issued to “you” by “us” applies to the same loss or claim, “our” maximum “limit” under all such insurance will not exceed the highest applicable “limit” under any one form or policy.  
 However, if the other insurance is specifically written as excess over this form, the “limit” of this form applies first.
  - b. If other insurance that applies to the loss or claim is provided under a policy that has not been issued to “you” by “us”, this form is excess over any other insurance.  
 If the other insurance is specifically written as excess insurance over this form, the “limit” of this form applies first.

All other terms and conditions of this policy remain unchanged.