

**PREMIER MARINE SKIPPER'S CHOICE POLICY**  
Form SCF (Rev. April 8, 2014)

**INSURING AGREEMENT**

Based on the information **you** have disclosed to **us**, and in exchange for payment of the premium, **we** agree to provide insurance as described in this policy and any endorsements. **You** must strictly comply at all times with all of the policy's terms and conditions. If **You** breach any of the terms and conditions, **We** at **our** option will not pay any claim, even if **your** breach did not cause or contribute to a loss.

**DEFINITIONS**

The use of italic text in the policy indicates that the word or phrase in italics is defined as follows:

- A. "**We**", "**us**" and "**our**" means the insurer.
- B. "**You**", "**your**" and "**Insured Person**" means:
1. the person(s) named as Insured on the Declarations Page,
  2. his or her spouse or domestic partner, while living in the same household,
  3. the relatives of either, or any person under age 21 in their care, while living in the same household, and/or
  4. any person or entity using the **Insured Property** with **your** permission, but without compensation.
- C. "**Insured Property**" means the Insured Vessel, Trailer, Tender, Auxiliary Motor, and Personal Effects, as described on the Declarations Page.
- D. "**Insured Vessel**" means the vessel as described on the Declarations Page under INSURED VESSEL.
- E. "**Constructive Total Loss**" means **We** have determined that the cost to recover and repair the **Insured Vessel** as the result of an **Occurrence** would exceed the lesser of the amount of insurance set forth on the Declarations Page, or the **Actual Cash Value**, and that **We** in **our** sole discretion have declared that the **Insured Vessel** is a **Constructive Total Loss**.
- F. "**Uninsured Boater**," "**Uninsured owner**" and "**Uninsured operator**" mean an owner or operator of a boat other than the **Insured Vessel** who is legally responsible for an **occurrence**, and
1. to whom no liability policy applies, or
  2. who cannot be identified, or
  3. whose liability insurance is does not cover or is insufficient to cover the losses arising out of the **occurrence**.
- G. "**Actual Cash Value**" means the cost of replacement less any depreciation as determined by a Marine Surveyor or Adjuster, who is authorized to consider:
1. condition immediately before the **occurrence**,
  2. resale value,
  3. normal life expectancy, and/or
  4. any other information customarily used to determine the market value of the **Insured Vessel** or component. If the labor required to effect repairs increases the life expectancy of property that is adjusted on the basis of its **Actual Cash Value**, the cost of repairs shall be reduced by the property's added value, if any.
- H. "**Personal Effects**" means property acquired primarily for use on the **Insured Vessel** and which is used primarily on the **Insured Vessel**.
- I. "**Parasailing**" means using **your** vessel to tow a person in a device designed for flight.
- J. "**Waterskiing**" means using **your** vessel to tow a person on water skis and the like, or on floatation devices.
- K. "**Material Fact**" is a fact which, if **we** had known it, **we** would not have
1. issued the policy, or
  2. issued the policy at the same premium rate, or
  3. issued the policy in as large an amount, or

4. issued the policy on the same terms and conditions.
- L. **“Accident”** means an event that is sudden, accidental and unintended from the standpoint of an **Insured Person**.
- M. **“Occurrence”** means an **Accident**, including continuous or repeated exposure to substantially the same distinct harmful conditions, during the policy period, which results in bodily injury, death, or direct physical tangible loss to the **Insured Property**.
- N. **“Sudden and Accidental,”** as used in connection with SPILL LIABILITY coverage, means that a discharge of oil or release of a hazardous substance was:
  1. sudden, unexpected and unintended by **you**,
  2. first commenced at a specific time and date during the policy period,
  3. became known to **you** within seventy-two (72) hours of its commencement, and
  4. was reported to **us** by **you** or by someone on **your** behalf immediately, and reported to **us** in writing by **you** or by someone on **your** behalf not later than thirty (30) days after it became known to **you**.

#### LOSS PROVISIONS (*Your Duties After A Loss Occurs*)

In the event of any loss, damage or occurrence that is covered by this policy, **you** must:

##### A. **Protect From Further Loss**

1. **You** must take all reasonable, lawful and timely steps to protect the **Insured Property** from further loss once loss or damage occurs or is reasonably certain to occur.
2. Any further loss arising out of **your** failure to take reasonable, lawful and timely steps to protect from further loss will not be recoverable under this policy.
3. **We** will pay the reasonable costs **you** incur, excluding **your** personal labor and expenses, in taking reasonable, lawful and timely steps to prevent further loss as provided above in an amount not to exceed the amount of insurance set forth on the Declarations Page for the **Insured Vessel**.

##### B. **Notify Us**

1. **You** must give immediate notice to **us** and/or **our** Authorized Representative and/or **your** Broker or Producer of any **occurrence** that may result in a claim under this policy.
2. Notice must include all facts relevant to the loss, when, where, how, and the names and addresses of the persons and witnesses involved.
3. Any legal papers or notices received by **you** must be immediately forwarded to **us**.

##### C. **Notify the Authorities**

**You** must give immediate notice of any **occurrence** to the relevant federal and state authorities, particularly in the **occurrence** involves an oil spill, the substantial threat of an oil spill, release of any hazardous substance, or the substantial threat of release of a hazardous substance.

##### D. **Permit Survey**

1. **You** must permit **us** to inspect damages and conduct testing using surveyors and/or experts of **our** choosing, the extent of which shall be at **our** sole discretion, before repairs are made and throughout the repair process.

##### E. **Preserve our Rights**

1. **You** must not assume any obligation, admit any liability or incur any expenses for which we are or may become liable without written permission from **us** except those reasonable expenses required to protect the **Insured Property** from further loss, pursuant to A, above.

##### F. **Cooperate with Us**

1. **You** must obtain repair specifications, bids and estimates from alternate sources if requested by **us**.
2. **You** must permit **us** and/or **our** surveyors and/or experts to examine the **Insured Vessel** and any records **we** require to verify the loss or its amount.

3. **You** must cooperate in the investigation, defense or settlement of any loss and agree to be examined under oath if **we** request and if the examination under oath is material to **our** handling of **your** claim.
4. **You** must allow examinations by physicians of **our** choice, when relevant to the loss. **You** must provide written authorization for **us** to obtain copies of all prior medical and hospital records. **You** must provide **us** with copies of other insurance policies or health coverages (insurance or otherwise) that may cover some or all of the loss.
5. **You** must submit a notarized detailed written proof of loss signed and sworn by **you**, and evidence of an insurable interest in the **Insured Property**.

**You** agree that **your** failure to comply with any of the foregoing provisions, F.1 – F.5, will cause **us** substantial and material prejudice, and there will be no recovery under this policy.

After **we** receive all statements and supporting documents, **we** will promptly consider **your** claim. Upon agreement of a settlement amount, **we** may ask **you** to complete a notarized Proof of Loss, or a Release Form. After submission of the Proof of Loss or Release Form, payment will be issued to **you** and/or any lienholder and/or repair yard, as may be required.

## LIMITS

The limits of insurance are shown on the Declarations Page of the policy.

## PROPERTY INSURANCE

### Insured Perils

- A. **You** are insured against All Risks of accidental and direct physical tangible loss of or damage to the **Insured Property** from any external cause but subject to the terms and conditions of the policy and endorsements, and excluding the following:
1. Wear and tear, gradual deterioration, faulty repair or faulty workmanship, marring, scratching, chipping, denting, corrosion, mold, rot, osmosis, blistering, delamination, electrolysis, galvanic action, or any inherent vice; however **we** will cover consequential property damage resulting from any fire, sinking, submersion, demasting, collision or stranding;
  2. Unexplained disappearance of **Insured Property** from the vessel unless there are visible marks of forcible entry or exit;
  3. **Insured Property** lost overboard unless caused by stranding, burning, sinking or collision of the **Insured Vessel**;
  4. Defect in manufacture or construction, nor will **we** pay for the cost of repairing or replacing any part which fails as a result of a defect in manufacture or construction, however, **we** will cover consequential physical damage that results from a part that fails as a result of a defect in manufacture or construction, if not otherwise excluded;
  5. Any increased cost resulting from or in consequence of obsolescence; and
  6. Loss or damage caused intentionally by, with the knowledge and consent of, or resulting from criminal wrongdoing by, an **Insured Person**.

### Basis of Claims Settlement

#### A. Total Loss:

1. In the event of a total loss, **we** agree to pay **you** the limit for the **Insured Vessel** as shown on the Declarations Page.
2. There shall be no recovery for a total loss unless all said property is lost absolutely.
3. In the event of a total loss this policy will automatically terminate immediately thereafter, the premium will be fully earned and no refund will be available.

#### B. Constructive Total Loss:

1. **We** reserve the sole and exclusive right to determine when and if the **Insured Vessel** is a **Constructive Total Loss**.

2. If **we** declare that the **Insured Vessel** is a **Constructive Total Loss**, **we** will pay you the amount of insurance stated on the Declarations Page and, thereupon, **you** will transfer ownership of the **Insured Vessel** to us or to our designee.
3. **We** reserve the right to repair the **Insured Vessel** as much as it can be repaired up to but not exceeding the amount of insurance stated on the Declarations Page for the **Insured Vessel** rather than declare a **Constructive Total Loss**.
4. Under no circumstances will **our** liability exceed the amount of insurance stated on the Declarations Page for the **Insured Vessel**.
5. In the event **we declare** and pay a **Constructive Total Loss**, this policy will automatically terminate immediately thereafter, the premium will be fully earned and no refund will be available.

## C. Partial Loss:

1. In the event of a partial loss, **we** will pay the reasonable cost of repairs or replacement.
2. **We** have the option
  - a) to make repairs or replacements **ourselves**, or
  - b) to reimburse **you** for repairs or replacements paid for by **you**, or
  - c) to pay **you** directly based on the lowest repair estimate received from a reputable repair facility.
3. **We** reserve the right to repair or replace the **Insured Property**.
4. Under no circumstances will **our** liability to repair a partial loss exceed the amount of insurance stated on the Declarations Page for the **Insured Vessel**.
5. **Our** liability for the following items shall not exceed their **Actual Cash Value**:
  - a) sails, canvas, protective covers and fabric;
  - b) batteries;
  - c) outboard motors and outdrive units older than 6 years of age; and
  - d) machinery (including inboard engines and transmissions) inside the vessel which is older than 15 years of age.

Age, as used in this section, is calculated by subtracting the model year from the calendar year, and adding one (1) to the result.

## Salvage Charges

- A. The amount available to pay for salvage charges will not exceed the amount of insurance stated on the **Declarations Page** for the **Insured Vessel**.
- B. **Insured Property** salvage charges are limited to those charges incurred prior to the vessel being declared a **Constructive Total Loss**.

## Personal Effects

- A. Loss of or damage to **Personal Effects** kept in the **Insured Vessel** will be settled on the basis of their **Actual Cash Value** up to the amount of insurance stated on the Declarations Page for **Personal Effects**, except that the following are excluded:
  1. Accounts, bills, currency, money, notes, securities, letters of credit, tickets, passports and documents, sporting equipment where the loss or damage results from its use, firearms, works of art, jewelry, contact lenses, artificial teeth or limbs, portable or cellular phones, prescription and non-prescription eye glasses, computer hardware and software.

## Trailer

- A. **We** will pay for physical damage to the trailer only if it is used exclusively for the transportation of a vessel.
- B. **We** do not cover liability for property damage, personal injury or death arising out of the ownership, maintenance, use or storage of the trailer, nor do we provide a defense in such cases.
- C. In the event of loss or damage to the trailer, we will pay the lowest of the following amounts:
  1. the amount of insurance stated on the Declarations Page for the trailer;
  2. the **Actual Cash Value** of the trailer at the time of loss; or

3. the cost to repair the trailer.

#### Pair and Sets Clause

- A. In the case of loss or damage to any item, which is part of a set, the measure of loss of or damage to such item shall be a reasonable and fair proportion of the total value of the set.
- B. In no event shall such a loss or damage be construed to mean a total loss of the set.

#### Deductible Clause

- A. **We** are liable only for the amount by which the loss or damage caused by any of the perils insured under this policy exceeds the deductible amount stated on the Declarations Page.
- B. If multiple items with different deductibles are damaged in the same **occurrence**, **we** will only apply a single deductible, the highest one, for the damaged items.
- C. The deductible applies to each **occurrence**.
- D. If the **Insured Vessel** is a total loss or a **Constructive Total Loss**, the deductible will not be applied.

#### LIABILITY INSURANCE - PROTECTION AND INDEMNITY

- A. **We** agree to indemnify the **Insured Person** against liability imposed by law upon the **Insured Person** for loss or damage arising from the ownership, maintenance, use or operation of the **Insured Property** resulting from bodily injury to or death of any person, or damage to their property.
- B. **We** agree to pay for an attorney **we** select to defend **you** against any claim or suit which seeks the damages described in paragraph A above.
- C. **Our** duty to settle and to defend ends when the limit of liability stated on the Declarations Page is exhausted. Regardless of the number of claims or the number of **Insured Persons** involved, the most, **we** will pay for any one **Occurrence** is the limit of liability stated on the Declarations page.
- D. **We** do not provide coverage for:
  1. liability of any nature which has been assumed by an **Insured Person** under any written or verbal contract or agreement, and/or liability for any breach of contract;
  2. liability of any **insured person** to any other **insured person**;
  3. liability for property damage, bodily injury or death arising out of the transportation of the Insured Vessel on land;
  4. liability for damage to property owned in whole or in part by **you**;
  5. liability arising out of **your** ownership or rental of any structure or facility, whether afloat or ashore, used to moor and/or to store the **Insured Vessel**;
  6. liability for property damage, bodily injury or death arising out of **parasailing**;
  7. liability for bodily injury or death for which the **Insured Person** is obligated to provide benefits under any state or federal workers' compensation law or act;
  8. liability arising out of an oil spill, the substantial threat of an oil spill, release of any hazardous substances, or the substantial threat of a release of any hazardous substances; or,
  9. liability arising out of an intentional act, including but not limit to fines, penalties, and cost of defense.
  10. liability for punitive, exemplary or multiplied damages of any sort whatsoever.

#### Removal of Wreck

- A. **We** will pay for the removal or disposal of the wreck of the **Insured Vessel** if **you** are legally obligated or ordered

by lawful authority to do so, even if **you** attempts to remove the wreck fail, however **our** liability to pay for removal or disposal of the **Insured Vessel** will not exceed the amount of insurance stated on the Declarations Page for the **Insured Vessel**, which amount will be in addition to any claim paid under the Property Insurance section of this policy.

## SPILL LIABILITY

- A. In the event of a **sudden and accidental** spill of oil, or release of any hazardous substance, or in the event of a **sudden and accidental** substantial threat of a spill of oil or release of any hazardous substance from the **Insured Vessel** for which the **Insured Person** becomes legally liable as owner or operator of the **Insured Vessel**, **we** will settle or defend any claim which asks for the following covered expenses or damages. **We** will provide **you** with a defense using lawyers of our choice against claims of spill liability that are covered by this policy. In the event **you** are adjudged legally liable, **we** will pay up to the amount stated on the Declarations Page for Spill Liability, for
1. response, containment, and clean-up;
  2. property damage; and
  3. natural resource damage assessment.
- B. "Oil" has the same definition as that used in the Oil Pollution Act of 1990 "Hazardous Substance," has the same definition as that used in the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).
- C. **Our** duty to settle and defend ends when the amount stated on the Declarations Page for SPILL LIABILITY is exhausted.
- D. **Your** coverage for SPILL LIABILITY is void if an **insured** fails or refuses to provide all reasonable cooperation and assistance required by law or requested by a state or federal official in connection with response, containment and clean-up activities.
- E. This coverage for SPILL LIABILITY excludes the following:
1. liability arising out of transportation of the **Insured Vessel** on land;
  2. liability arising out of an intentional act by any **insured person**;
  3. liability for fines or penalties, whether civil, criminal or administrative, and whether pursuant to state or federal law;
  4. liability for punitive damages, exemplary damages or multiplied damages of any sort whatsoever;
  5. liability for costs of criminal defense;
  6. liability arising out of the spill or release of any radioactive material or substance of any kind;
  7. liability for bodily injury or death arising out of a spill of oil or release of any hazardous substance

## LONGSHORE AND HARBOR WORKERS' COMPENSATION ACT

- A. **We** agree to indemnify the **Insured Person** against liability imposed by law pursuant to section 905(b) of the U.S. Longshore and Harbor Workers' Compensation Act upon the **Insured Person** for bodily injury or death arising from the ownership, maintenance, use or operation of the **Insured Property**.
- B. **We** agree to pay for an attorney **we** select to defend **you** against any claim or suit which seeks the damages described in paragraph A above.
- C. **Our** duty to settle and to defend ends when the limit of liability stated on the Declarations Page for LIABILITY INSURANCE – PROTECTION AND INDEMNITY is exhausted. Regardless of the number of claims or the number of **Insured Persons** involved, the most, **we** will pay for any one **occurrence** is the limit of liability stated on the Declarations page.
- D. The exclusions listed in paragraph D of the LIABILITY INSURANCE – PROTECTION AND INDEMNITY apply to this coverage.

## MEDICAL PAYMENTS

- A. **We** agree to pay up to the amount indicated on the Declarations Page for the necessary medical and funeral expenses resulting from bodily injury or death to **you** or others occurring while in, upon, boarding, or leaving the **Insured Vessel**, and injury to an **insured person** or guest while water skiing behind the **Insured Vessel**.
- B. This cover only applies to costs incurred within one year from the date of the **occurrence** that caused the death or bodily injury.
- C. If there are any other available medical or insurance benefits to the injured or deceased person, this coverage will be excess over such other insurance.
- D. **We** exclude the following from coverage for medical payments:
  - 1. responsibility assumed by an **insured person** under any written or verbal agreement;
  - 2. medical payments or funeral expenses for anyone injured or killed while the **Insured Vessel** is being transported on land;
  - 3. injury to or death of a trespasser on the **Insured Vessel**;
  - 4. any injury or death arising out of **parasailing**;
  - 5. injury to or death of an **insured person's** employee(s);
  - 6. injuries or deaths for which benefits are required to be provided by, or are available under, any state or federal compensation law or act.

## ACCIDENTAL DEATH BENEFITS

- A. If, as a direct and proximate result of the **Insured Property** stranding, sinking, burning or being in a collision, the person(s) named as Insured on the Declarations Page, spouse, or the relatives of either or any person under age 21 in their care, die within 12 months of the occurrence, we shall pay in the event of such death:
  - 1. \$10,000 for the death of the named Insured;
  - 2. \$5,000 for the death of the named Insured's spouse;
  - 3. \$1,000 for the death of each relative of the named Insured or the named Insured's spouse, or any person, under age 21 in their care.
- B. Any payment under this section to any claimant is strictly without regard to fault, and does not constitute an admission of liability or fault, nor of any entitlement to recover against the **Insured Person**, nor does it invoke coverage under the Liability Insurance – Protection and Indemnity section.

## UNINSURED BOATER

- A. If an amount is indicated on the Declarations Page for "**Uninsured Boater Coverage**," **we** will pay up to that amount for damages, which, because of bodily injury sustained aboard **your Insured Vessel**, **you** are legally entitled to recover from the **Uninsured Boater**.
- B. We do not provide **Uninsured Boater** coverage:
  - 1. for claims settled without **our** written consent;
  - 2. if the **Uninsured Boater** is owned or operated by a governmental body or agency or employee or any contractor/subcontractor of any governmental body or agency or employee of such contractor/subcontractor;
  - 3. for boats owned by or furnished for regular use by any one falling under the definition of **Insured Person**; or,
  - 4. for anyone using the **Insured Property** without the permission of the **Insured Person**.
- C. This coverage will not apply directly or indirectly to the benefit of any insurer under any state or federal compensation law or act.

- D. Payment under this coverage shall be reduced by:
1. all sums paid by or on behalf of those legally responsible;
  2. all sums paid by any state or federal compensation law or act; or,
  3. all sums paid under the Liability or Medical Payments coverages of this policy.
- E. The amount on the Declarations Page is the maximum **we** will pay, regardless of the number of **Insured Persons**, claims made, or boats involved in any once accident, or series of accidents arising out of the same occurrence.

## EXTENSIONS OF COVERAGE

### A. Emergency Navigational Extension

If **you** exceed the Navigational Limits set forth in the policy or its endorsements for any reason beyond **your** control then **your** policy will remain in force. However **you** must notify **us** as soon as possible and pay any additional premium required by **us**.

### B. Emergency Towing

If the Declarations Page shows that **we** have agreed to provide Emergency Towing coverage, then **we** will pay up to the amount stated on the Declarations Page per **occurrence** toward the cost of towing the **Insured Vessel** to a repair facility, regardless of the cause of breakdown, upon **you** providing **us** with receipts or invoices and acceptable evidence of loss or damage necessitating emergency towing.

## GENERAL EXCLUSIONS

This section contains exclusions that apply to all coverages of this policy.

### A. Limitations of Use

**We** will not be liable for any loss or damage caused while the **Insured Property** is:

1. used for carrying passengers or goods for compensation, either in cash or in kind;
2. being prepared by anyone to be used for carrying passengers or goods for compensation;
3. rented, leased or chartered to another person;
4. being prepared by anyone for rental, lease or charter by another person;
5. used in any illegal or criminal act(s);
6. operated in any race or speed test; however, this exclusion does not apply to sailboats or predicted log cruises.

### B. Qualified Operator Requirement

**We** will not be liable for any loss or damage to the **Insured Property**, or for any liability resulting from any injury, death, third party property damage, oil spill, or hazardous substance release if the person or persons operating the **Insured Property** are not in compliance with all government regulations and licensing requirements.

### C. War, Seizure, Nuclear Exclusion

**We** will not pay for any loss, damage or liability arising from:

1. radioactive contamination or nuclear reaction;
2. war (declared or undeclared), civil war, insurrection, rebellion, revolution, or any consequence thereof; or
3. capture, seizure, arrest or detainment of the **Insured Vessel** by any governmental power or authority, whether lawful or unlawful.

## GENERAL CONDITIONS

This section contains conditions that apply to all coverages of this policy.

### A. Policy Period

This policy applies only to losses which occur during the policy period stated on the Declarations Page.



## **B. Continuation**

If the **Insured Vessel** is at sea or in distress at the expiration date, **we** shall continue to hold the **Insured Vessel** and **you** covered until landed and after twenty four (24) hours in a safe berth, unless **your** coverage is expiring because **we** or **you** have canceled or rescinded this policy.

## **C. No Benefit to Bailee**

No person or organization that has custody of the **Insured Property** and is being compensated for having custody, or for performing services while having custody, shall benefit from the insurance provided in this policy.

## **D. Navigational Limits**

This policy applies only to losses which occur within the navigational limits as stated on the Declarations Page, and/or any endorsements.

## **E. Lay-Up Requirement**

The Insured Property must be laid-up ashore during the dates indicated on the Declarations Page.

## **F. Changes**

This policy and the application (including any supplemental, questionnaire or declaration form) submitted for insurance contains all of the agreements between **you** and **us**. No changes may be made unless they are in writing and signed by **us**.

## **G. Nondisclosure of Material Fact,**

If at any time **you** fail, or if anyone on **your** behalf fails, to disclose to **us** any **material fact**, regardless of your intent, then **we**, at our sole discretion may void this policy and refund **your** premium to **you**.

## **H. Intentional Misrepresentation of Fact.**

If at any time **you** intentionally misrepresent any fact to **us**, even if it is not a **material fact**, then **we**, at our sole discretion may void this policy and refund **your** premium to **you**.

## **I. Transfer of Interest**

If **you** sell, transfer, mortgage or pledge any interest in the **Insured Property** or this policy, all coverages herein will cease immediately without further notice to **you** unless such change is accepted by **us** in writing. If the **Insured Property** is legally removed from **your** custody or, if **you** become insolvent or declare bankruptcy, all coverages herein will cease immediately without further notice to **you** unless such change is accepted by **us** in writing. If the policy is canceled under this section, **we** will calculate unearned premium under the CANCELLATION PROVISIONS below and return the unearned premium to **you**.

## **J. Insurance Under More Than One Policy**

If there is any other valid and collectible insurance which would apply in the absence of this policy, the insurance under this policy shall apply only as excess over any such other valid and collectible insurance.

## **K. Right to Recovery/Subrogation**

1. If **we** make a payment under this policy and the **Insured Person** to or for whom payment was made has a right to recover damages from another person or entity, **we** shall be subrogated to that right.
2. The **Insured Person** shall do whatever is necessary to enable **us** to exercise **our** rights and shall do nothing to prejudice those rights.
3. **We** shall pursue **our** subrogated rights against any and all responsible persons or entities and, unless prohibited by applicable law, any recovery that **we** obtain shall be applied as follows:
  - a) first to reimburse **us** for amounts **we** have paid under this policy;
  - b) next, if any funds remain, to refund **your** deductible, if any; and
  - c) lastly to reimburse **you** out of any remaining funds for any uninsured losses **you** sustained as a result of the **occurrence** for which **we** made payments under the policy.
4. If **you** are reimbursed out of **our** recovery, then **you** shall contribute to the costs of achieving such recovery

*pro rata.*

#### **L. Right to Reimbursement**

1. Notwithstanding section K. above, if **you** pursue and obtain a recovery from another person or entity who caused damage or liability, for which **we** have issued payment under the policy, **we** have the right to be reimbursed out of that recovery, but only after **you** have been reimbursed for **your** uninsured losses as a result of the **occurrence** for which **we** made payments under the policy.
2. If **we** are reimbursed out of **your** recovery, then **we** will contribute to the costs of achieving such recovery *pro rata*.

#### **M. Non-Waiver Provision**

No action on **our** part, after a loss to recover or save the **Insured Property** from further loss, nor any action which **we** may take in connection with the investigation of any loss, shall be considered as a waiver of any of **our** rights under this policy.

#### **N. Legal Action Against Us**

1. Only the **Insured Person** named on the Declarations Page may take legal action against us to recover for damage to the Insured Property.
2. No legal action may be brought against us unless:
  - a) **you** have fully complied with all provisions of this policy and any endorsements; and
  - b) **you** commence a lawsuit against **us** within one year after the **occurrence**, or, in the case of continuous or repeated exposure to substantially the same distinct harmful conditions, one year after the earliest such exposure.

#### **O. Severability Clause**

If any clause, word, phrase, provision or portion of this policy or any endorsements shall be found to be unenforceable or invalid for any reason whatsoever by any court or by any arbitrator or arbitration panel, such determination shall not affect any other clause, word, phrase, provision or portion of this policy, and each shall remain in full force and effect.

### **CANCELLATION AND RENEWAL PROVISIONS**

#### **A. Cancellation by Insured Person**

1. **You** may cancel this policy at any time by providing us with advance written notification of the cancellation date.
2. **We** will calculate **your** return premium on a *pro-rata* basis less ten (10) percent basis otherwise indicated in writing on the Declarations Page.

#### **B. Cancellation by Us**

1. **We** may cancel this policy by giving **you** fifteen (15) days' notice of termination by registered mail or five (5) days' written notice of termination personally delivered.
2. **We** will calculate **your** return premium on a *pro-rata* basis.
3. This provision does not apply where the policy is voided by **us** as a consequence of a non-disclosure of **material fact** or an intentional misrepresentation by **you**.

#### **C. Cancellation in the Event of a Total Loss or Constructive Total Loss**

1. In the event of a total loss or declaration by us of a **Constructive Total Loss**, this policy will automatically terminate immediately thereafter.
2. The premium will be fully earned and no refund will be available.

#### **D. Renewal of Coverage**

1. Coverage ceases at the expiration date stated on the Declarations Page unless **you** have received a Declarations Page from **us** stating a renewed policy period, and
2. **you** have paid the premium due for the renewed policy period.