

## **The Commerce Watercraft Program**

The Commerce Watercraft Endorsement and optional Mariner Endorsement are available on all homeowner policy forms. The Watercraft program guidelines are designed to assist you in evaluating risks. Sound watercraft underwriting requires judgment to be applied to each individual situation. Therefore, on occasion, a risk may be deemed unacceptable by your Underwriter even though it is not expressly prohibited in these guidelines.

### **Commerce Watercraft Endorsement – CIC-918**

The Commerce Watercraft Endorsement offers the following features for eligible watercraft:

- Physical Damage coverage to the watercraft, including up to 15% for auxiliary equipment
- Watercraft liability (\$100,000 base limit with increased limits available)
- Medical Payments Coverage (\$1,000 basic limit with higher limits available)
- Uninsured Boaters Coverage with a \$100,000 limit
- Coverage for Personal Property (\$1,000 limit with a \$50 deductible)
- Excess liability coverage for the operation of a non-owned boat
- Total losses settled on an “agreed amount” basis. Partial losses settled on a replacement cost basis.
- Salvage Charges/Wreck Removal Covered up to the hull limit of liability
- Accidental Fuel Spill Coverage with up to an \$800,000 limit of liability
- Commercial Towing coverage with a \$500 base limit

### **Applications**

All submissions require a complete ACORD Watercraft Application.

### **Binding Authority**

Coverage may be bound on boats meeting eligibility requirements.

### **Boat Speed, Length and Maximum Value**

Please refer to the “Eligible Watercraft Types” section of this manual for specific information regarding speed, length and maximum values for each type of eligible watercraft.

### **Prior Loss Experience**

No boating losses in the past 3 years.

### **Ineligible Risks**

- Watercraft used for racing other than sailing regattas.
- Watercraft held for sale or consignment.
- Watercraft with engines modified from the original manufacturers specifications to increase top speed.
- Homemade, kit or custom made boats
- Boats used as a primary residence (liveaboards)
- Sailboats used exclusively for racing
- Boats made before 1992 with jet-drive propulsion
- Boats, other than center console sport fishing boats, with more than 1 main outboard engine.
- Center console sport fishing boats with more than 2 main outboard engines
- Watercraft with a hired crew
- Inflatable boats
- Hovercraft
- Air Boats
- Wet Bikes
- Performance and high performance boats
- Steel hull boats
- Amphibious watercraft

### **Watercraft Use**

All watercraft must be used for private pleasure use only. Business entertainment is acceptable when there is no direct or indirect financial payment. Occasional participation in water skiing or sailing regattas is permitted. Sailing regattas are restricted to 5 per sailing season.

### **Ownership**

No more than one owner is permitted (owner and spouse are considered one owner). Corporate or business ownership is not permitted.

### **Valuation**

The insured value should not be less than the purchase price if purchased within the last year. The insured value must be within 15% of the current value range as established by the *ABOS Marine Blue Book*. The insured value of the watercraft should not exceed the owners' insurable interest.

### **Eligible Watercraft Types**

#### **Bass Boat**

Bass boats have low, sleek profiles and are built to fish with two or three anglers on board. Tournament style boats are more than 18-feet long with 150 to 250 horsepower. For casual angling and buddy tournaments, aluminum boats from 16 to 18 feet with horsepower from 25 to 150 are more common. Livewells to keep the catch alive are mandatory, as is an electric trolling motor on the bow (front of boat). Maximum Speed: 60 MPH. Maximum Value: \$50,000.

The following special underwriting rules apply to Bass Boats:

- No operators under the age of 25
- No units over 15 years old
- No owners with less than 3 years of bass boat ownership & operating experience.
- No more than one main outboard engine (excludes trolling motors)

#### **All Purpose Fishing Boats**

This type of boat tend to have higher freeboard (sit higher in the water) than bass boats because they spend more time in rough water in pursuit of walleye, musky and pike. Livewells, rod lockers, a bow or transom trolling motor and outboard power are the rule. Maximum Speed not to exceed 60 MPH. Maximum Value: \$50,000.

#### **Bowriders**

These are the most popular boats in the runabout/sportboat category, thanks to the spacious seating in their open bow (front) area. Sterndrive power is the norm, but outboard engines are becoming increasingly popular for power. Maximum speed not to exceed 60 MPH. Maximum Value: \$60,000.

#### **Center Console**

These open fishing boats are built to take rough offshore waters in pursuit of ocean fish. An aluminum and canvas t-top provides shade and rod storage. Gunnel rod holders, outriggers and other gear are common fittings onboard. Up to two main outboard motors are acceptable. Maximum Speed: 60 MPH. Maximum Value: \$60,000.

#### **Runabouts & Closed Bow Runabouts (including Jet Boats & Ski Boats):**

This category includes boats up to 30' in length and jet boats 20' and over (for jet boats under 20' in length, please refer to the Commerce Personal Watercraft Program). Maximum speed not to exceed 60 MPH. Maximum Value: \$60,000.

#### **Cuddy Cabin**

Cuddies are nimble and maneuverable like a bowrider but a closed deck over the bow area allows a sleeping area with limited plumbing for toilet, sink and sometimes cooking. They are most often powered with sterndrive engines but outboard power is becoming popular. Boats with a length up to 28' and a maximum speed of 60 MPH. Maximum Value: \$100,000.

#### **Cabin Cruiser**

These types of boats typically begin at 26' in length. Their use is to cruise and provide overnight sleeping quarters combined with cooking and bathroom facilities. Lengths up to 50' and maximum speed up to 50 MPH are generally acceptable. Maximum Value: \$200,000.

### **Pontoon Boats**

These types of boats have two or three hulls made of either aluminum or fiberglass. Lengths up to 30' with top speeds up to 40 MPH are generally acceptable. Use is restricted to inland waters. Maximum Value: \$50,000

### **Sailboats**

The principal source of propulsion must be sails. A small outboard or inboard motor for auxiliary power is acceptable. Mono hull and multi-hull are acceptable. A non-motorized dinghy is automatically covered under the policy for its Actual Cash Value (ACV). Motorized dinghy's must be scheduled on the policy. Lengths up to 50' are generally acceptable. Maximum Value: \$250,000.

### **Canoes & Kayaks**

Non-powered watercraft with a minimum value of \$750 to a maximum value of \$10,000 are acceptable.

### **Age**

Well maintained watercraft up to 20 years old are generally acceptable. Watercrafts over 20 years old that are exceptionally maintained will be considered on an exception basis. Higher deductibles may apply for older watercraft. A Marine Survey or out of water photograph may be required. Please contact your Underwriter prior to binding any risk over 20 years old.

### **Driving Record**

- No major moving violations in the past 5 years
- The total number of minor incidents and at-fault accidents should not exceed two per operator or three for all operators in the past three years.

### **Boating Experience Requirements**

- < 26': 1 year of ownership experience with similar boat
- 26' – < 32': 2 years of ownership experience for a similar type/length boat
- 32' – < 40': 3 years of ownership experience for a similar type/length boat
- 40' & Over: 5 years of ownership experience with a similar type/length boat

### **Navigational Zone**

The 48 contiguous states and coastal waters within 5 miles of these states.

### **Mariner Endorsement - Coverages/Limits and Rate**

The Mariner endorsement can be attached to each insured watercraft for an annual flat fee of \$60.

The endorsement provides the following:

- Increased personal property limit (\$2,500 limit; \$50 ded.)
- Increased uninsured boat coverage (by \$100,000)
- Towing and labor (\$1,500 limit; \$50 ded.)

### **Trailer Coverage**

Boat trailers are covered on an actual cash value basis, and are subject to a mandatory \$100 deductible.

### **Increase Liability, Medical Payments and Uninsured Boaters Coverage**

Watercraft *not* automatically covered under the policy are eligible for increased liability and medical payment limits.

The basic Watercraft program provides liability coverage in the amount of \$100,000, medical payments coverage in the amount of \$1,000, and uninsured boaters coverage in the amount of \$100,000.

Higher limits may be purchased. Please refer to the Rating section for all available rates.

### **The Commerce Personal Watercraft Program**

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### **Commerce Personal Watercraft (PWC) Program Guidelines**

The Commerce Watercraft Program offers the following features for eligible Personal Watercraft:

- Physical Damage coverage, up to \$30,000, to the personal watercraft, including up to 15% for auxiliary equipment
- Watercraft liability (\$100,000 base limit with increased limits available)
- Medical Payments Coverage (\$1000 basic limit with higher limits available)
- Uninsured Boaters Coverage with a \$100,000 limit
- Coverage for Personal Property (\$1000 limit with a \$50 deductible)
- Excess liability coverage for the operation of a non-owned personal watercraft
- All losses settled on an "Actual Cash Value" basis.
- Salvage Charges/Wreck Removal Covered up to the hull limit of liability
- Accidental Fuel Spill Coverage with up to an \$800,000 limit of liability
- Commercial Towing coverage with a \$500 base limit

### **Personal Watercraft Definition**

A personal watercraft is a watercraft with a passenger capacity from 1 to 4 persons, 16' or under in length, that is designed to be operated by a person or persons sitting, standing or kneeling on the craft rather than within the confines of a hull. Propulsion comes from a jet pump located inside the watercraft.

Included in the definition of a personal watercraft are jet boats less than 20' in length and up to 250 horsepower. These boats are powered by the same type of engine as the smaller personal watercraft and typically sit up to 6 people. A characteristic of the mini jet boat is that the hull is completely open. This means that there is no decking in front of the operator; only open seating areas. We consider these types of boats to be personal watercraft and are eligible only in our Personal Watercraft Program. Any jet boat over 20' and/or more than 250 horsepower will be placed in the Runabout category with inboard propulsion type. All watercraft must meet the eligibility guidelines of the program in which it is placed.

### **Personal Watercraft Use**

PWC's must be used for pleasure use only with no commercial or rental usage. The PWC may not be modified in any way and may not be used for racing. Personal Watercraft equipped with stainless steel high performance impellers are ineligible for coverage.

### **Approved Manufacturers\***

The following manufacturers produce units eligible to be bound in the Commerce Personal Watercraft program:

Arctic Cat  
Bombadier  
Honda  
Jet Ski  
Kawasaki  
Polaris  
Sea Doo  
Wet Jet  
Yamaha

HSR Benelli personal watercraft (including previous Hydrospace models) cannot be bound. Please obtain complete information and call your Personal Lines Underwriter for approval.

\*Other Personal Watercraft manufacturers may be acceptable. Please contact your Personal Lines Underwriter for approval.

### **Maximum Value**

Units with a total value up to \$30,000 including permanently installed equipment, portable boating equipment and trailer are eligible. A current *ABOS Marine Blue Book* valuation will be used to determine watercraft value. For watercraft less than two years old, a dealer sales receipt may be used to establish current value. Personal Watercraft must be insured for 100% of their current Actual Cash Value (ACV).

### **Loss Payments**

All losses are settled on an *Actual Cash Value* (ACV) basis. The most we will pay is the limit of liability shown in the Declarations.

### **Operator Information**

All operators must have a valid drivers license and be in compliance with all state laws and regulations applicable to PWC operation in the jurisdiction where the unit is operated. Please note that Massachusetts Law requires PWC operators to be age 18 or over. Persons 16 and 17 years of age who have earned a boating safety certificate by passing an approved boating safety course may operate a (PWC). All household resident operators must be listed on the ACORD Watercraft Application. Other "regular operators" of the personal watercraft must be listed. "Regular Operator" is defined as a person that operates the personal watercraft more than 6 times per year.

### **Driving Record**

All eligible operators under age 18 must have a valid driver's license and an incident free driving record.

#### ***The following applies to operators age 18 and over:***

- No operator may have any major violations in the last 5 years.
- No operator may have more than 2 minor moving violations in the last 3 years.
- No operator may have more than one at-fault accident in the last 3 years.
- No operator may have more than a combined total of two incidents (minor violations combined with at-fault accident)