

**NEW YORK
WATERCRAFT
PRODUCER MANUAL**

Pacific Employers Insurance Company

**NEW YORK PERSONAL INSURANCE WATERCRAFT
PACIFIC EMPLOYERS INSURANCE COMPANY**

TABLE OF CONTENTS

SUBJECT	PAGE(S)
Business Considerations	2
General Rules and Rating	3

NEW YORK PERSONAL INSURANCE WATERCRAFT PACIFIC EMPLOYERS INSURANCE COMPANY

BUSINESS CONSIDERATIONS

VALUELOCK AMOUNT

The Watercraft must be insured for an amount agreed upon between the insured and the Company. When established, the ValueLock amount should equal the present market value of the Watercraft, motors, and other equipment.

COVERAGE SUMMARY

- Up to \$1,000 for coverage of emergency living expenses necessitated by a covered Watercraft loss or incurred while protecting the Watercraft from further covered loss.
- Up to \$5,000 loss assessment coverage to pay for the insured's share of assessed damages resulting from covered losses arising out of the ownership of the covered Watercraft's berth, slip, or docking place.
- Personal effects are covered up to 10% of the Watercraft's ValueLock coverage amount, or \$10,000, whichever is less.
- Trailers are covered up to \$5,000.
- Emergency towing and service up to \$1,500 is included.
- Newly acquired Watercraft is covered for up to 30 days.
- Liability limits up to \$1,000,000 include \$10,000 Medical Payments and \$25,000 Uninsured Watercraft coverage. Optional Uninsured Watercraft limits are available for an additional premium.
- Account Credit and Renewal Credit are available to qualified risks.

NAVIGATIONAL LIMITS

This policy covers the Continental United States, Hawaii, Alaska, the Bahamas and Canada, extending 50 miles from the coastline and all inland waters. Extension to additional waters is available for an additional charge.

NEW YORK PERSONAL INSURANCE WATERCRAFT PACIFIC EMPLOYERS INSURANCE COMPANY

RULES / RATING PROCEDURE

The watercraft premium is calculated by adding together the Physical Damage, Liability and Uninsured Watercraft premiums developed in Sections A, B, and C below.

Note: The minimum annual premium is \$100 for each watercraft.

A. PHYSICAL DAMAGE COVERAGE

1. Determine Rating Group.

The mooring location of the watercraft and/or primary navigational waters determines the rating group used.

Rating Group	States Included
01	Connecticut, Delaware, Washington D.C., Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Vermont, Virginia
2	Arkansas, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, Pennsylvania, South Dakota, Tennessee, West Virginia, Wisconsin
3	Alaska, Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming
4	Florida, Hawaii
5	Alabama, Louisiana, Mississippi, Texas
6	Georgia, North Carolina, South Carolina

2. Determine the Physical Damage Base Premium.

Derive the base premium from the following chart based on vessel type (Powerboat, Sailboat or Personal Watercraft) and waters navigated.

Rating Group	Powerboats		Sailboats (With or without Auxiliary Power)		Personal Watercraft
	Coastal	Inland	Coastal	Inland	Coastal and Inland
01	\$163	\$100	\$130	\$80	\$200
02	\$101	\$76	\$81	\$60	\$200
03	\$101	\$76	\$81	\$60	\$200
04	\$215	\$121	\$172	\$96	\$200
05	\$215	\$121	\$172	\$96	\$200
06	\$187	\$115	\$150	\$92	\$200

Note: Inland waters are defined as all rivers and lakes including the Great Lakes, the waters of Chesapeake Bay, San Francisco Bay, Puget Sound, and their tributaries.

NEW YORK PERSONAL INSURANCE WATERCRAFT PACIFIC EMPLOYERS INSURANCE COMPANY

3. Apply the Physical Damage Value Factor.

Exception: The value factor for Personal Watercraft of all types and values is 1.00.

Note: Round watercraft value (including motors and other equipment) to the nearest \$100.

- a. For watercraft values displayed in the following chart, multiply the base premium (from Step 2) by the corresponding value factor.

ValueLock Amount	Factor
\$2,000	0.300
\$4,000	0.700
\$6,000	1.100
\$8,000	1.500
\$10,000	1.820
\$12,000	2.100
\$14,000	2.380
\$16,000	2.660
\$18,000	2.900
\$20,000	3.080
\$22,000	3.260
\$24,000	3.420
\$26,000	3.580
\$28,000	3.740
\$30,000	3.900
\$35,000	4.300
\$40,000	4.700
\$45,000	5.150
\$50,000	5.600
\$55,000	6.050
\$60,000	6.500
\$65,000	6.950
\$70,000	7.400
\$75,000	7.850
\$80,000	8.300
\$85,000	8.750
\$90,000	9.200
\$95,000	9.650
Each additional \$1,000	0.090

- b. For watercraft values under \$95,000 not displayed, determine the value factor as shown in the following example.

Example: Watercraft ValueLock Amount is \$48,400.

For \$50,000, the value factor is 5.600; for \$45,000 the value factor is 5.150. Figure the difference between the two value factors and divide by 5 (the difference between 45 and 50). To determine the value factor per \$100, divide by 10.

$$\begin{array}{r}
 5.600 \\
 - \quad 5.150 \\
 \hline
 0.450 \div 5 = 0.090 \div 10 = 0.009
 \end{array}$$

NEW YORK PERSONAL INSURANCE WATERCRAFT PACIFIC EMPLOYERS INSURANCE COMPANY

Multiply the value factor per 100 times 34 (the difference in hundreds between 45,000 and 48,400), and add 5.150, the value factor for \$45,000.

$$\begin{array}{r} 0.009 \times 34 = 0.306 \\ + \quad 5.150 \\ \hline 5.456 \end{array}$$

The result, 5.456, is the value factor for this example.

c. For watercraft values over \$95,000, determine the value factor as follows:

- (1) Determine the number of \$100 over \$95,000, and multiply this number by 0.009.
- (2) Add 9.650, the factor for \$95,000, to the factor derived in (1) above to obtain the value factor for the desired value amount.
- (3) Multiply the base premium (from Step 2) time the value factor derived in (2) above.

4. Apply the Deductible Factor.

Multiply the premium (from Step 3) by the deductible factor from the following chart.

Deductible Factor			
All Watercraft With ValueLock of \$50,000 or Less		All Watercraft With ValueLock Over \$50,000	
Deductible	Deductible Factor	Deductible*	Deductible Factor
\$100	1.60	1%	1.10
\$250	1.10	2%	1.00
\$500	1.00	3%	0.90
\$1,000	0.90		
\$2,500	0.80		

* These deductibles are a percentage of the Watercraft's ValueLock amount.

5. Apply the Physical Damage Credits and Surcharges.

Multiply the premium (from Step 4) by the applicable credit and surcharge factors listed below. These factors are applied multiplicatively.

- a. **Account Credit.** A 5% credit is applicable when the named insured carries both auto and homeowners policies with an ACE Company. Apply a rating factor of 0.95.
- b. **Diesel Power Credit.** A 10% credit is applicable for watercraft with a diesel engine. Apply a rating factor of 0.90.
- c. **Port Risk Credit.** A 30% credit is applicable for watercraft that is not navigated during the policy term. Apply a rating factor of 0.70.
- d. **Hurricane Deductible Credit.** If an optional hurricane deductible* is chosen, apply the appropriate rating factor:

<u>Deductible</u>	<u>Rating Factor</u>
10%	0.90
25%	0.80

***Note:** The hurricane deductible option is only available for watercraft moored in Alabama, Connecticut, Delaware, Washington D.C., Florida, Georgia, Hawaii, Louisiana, Maine, Maryland, Massachusetts, Mississippi, New Hampshire, New Jersey, New York, North Carolina, South Carolina, Rhode Island, Texas, Vermont, and Virginia. (Rating Groups: 01, 04, 05, and 06).

NEW YORK PERSONAL INSURANCE WATERCRAFT

PACIFIC EMPLOYERS INSURANCE COMPANY

If a Hurricane Deductible is chosen, it will apply to any loss to the Watercraft and its equipment caused by a hurricane designated as such by the National Hurricane Center or the National Weather Service. The Hurricane Deductible is a percentage of the Watercraft's ValueLock amount

- e. **Renewal Credit.** Risks will be afforded a credit based on the number of years a watercraft policy has been continuously insured with an ACE Company. Apply the appropriate rating factor:

<u>Years Insured</u>	<u>Rating</u>
Factor 3 – 5 years	0.95
6 years and over	0.90

- f. **Age of Watercraft Surcharge.** The following surcharges are based on the model year of the watercraft. To determine the age of the watercraft, subtract the model year from the current year. Apply the appropriate rating factor:

<u>Age of Watercraft</u>	<u>Coastal Rating Factor</u>	<u>Inland Rating Factor</u>
0 – 5 years	1.00	1.00
6 – 10 years	1.10	1.05
11+ years	1.50	1.25

- g. **Powerboat Speed Surcharge.** The following surcharges are applicable to Powerboats capable of speeds in excess of 29 miles per hour. Apply the appropriate rating factor:

<u>Maximum Speed</u>	<u>Surcharge Rating Factor</u>
30 – 39 mph	1.10
40 – 49 mph	1.25
50+ mph	1.40

Exception: The speed surcharge is not applicable to Personal Watercraft.

- h. **Loss Surcharge.** Points will be assigned for accidents or comprehensive losses involving watercraft occurring within the experience period. The experience period shall be the three years prior to the effective date of application or the renewal effective date.

- One point is assigned for each accident or comprehensive loss resulting in a paid claim of \$1,000 or more.
- One point is assigned if, during the experience period, there were two or more losses, each of which resulted in a paid claim of less than \$1,000 and have not been assigned points under (1) above.

Exceptions:

- No points are assigned for the **first** paid accident or comprehensive loss incurred while continuously insured by Pacific Employers Insurance Company.
- No points are assigned for accidents occurring under the following circumstances:
 - The insured was reimbursed by, or on behalf of, a person who was responsible for the accident or there was a judgement against such person; or
 - The watercraft was struck by another watercraft and the insured has not been convicted of a violation in connection with this accident; or
 - The operator of the other watercraft involved in the accident was convicted of a violation and the insured was not convicted of a violation in connection with the accident.

NEW YORK PERSONAL INSURANCE WATERCRAFT PACIFIC EMPLOYERS INSURANCE COMPANY

Apply the appropriate surcharge rating factor based on the total number of points accumulated during the experience period.

<u>Points</u>	<u>Surcharge Rating Factor</u>
1	1.10
2	1.20
3+	1.30

- i. **Extended Navigational Limits Surcharge.** A 20% surcharge is applicable if the Navigational Limits Extension option is chosen. Apply a rating factor of 1.20.
- j. **Driving Record Surcharge.** A 25% surcharge is applicable if the insured and/or resident operators of the watercraft do not qualify for an auto policy based on driving record eligibility. Apply a rating factor of 1.25.

B. LIABILITY COVERAGE

1. Determine the Liability Base Premium.

To determine the liability premium, choose the amount of coverage then derive the base premium from the applicable chart. Apply the liability credits and surcharges as specified in Rule **B.2**.

COASTAL LIABILITY BASE RATES		
Coverage Amount	Personal Watercraft	All Other Watercraft Less Than 26' in Length
\$100,000	\$316	\$116
\$300,000	\$334	\$134
\$500,000	\$362	\$162
\$1,000,000	\$430	\$230

INLAND LIABILITY BASE RATES		
Coverage Amount	Personal Watercraft	All Other Watercraft Less Than 26' in Length
\$100,000	\$258	\$58
\$300,000	\$267	\$67
\$500,000	\$281	\$81
\$1,000,000	\$315	\$115

COASTAL LIABILITY BASE RATES				
Coverage Amount	Length of Watercraft			
	26' to 34'	35' to 44'	45' to 49'	50' or Greater
\$100,000	\$136	\$190	\$282	\$394
\$300,000	\$158	\$222	\$330	\$454
\$500,000	\$190	\$266	\$392	\$532
\$1,000,000	\$270	\$378	\$548	\$736

NEW YORK PERSONAL INSURANCE WATERCRAFT PACIFIC EMPLOYERS INSURANCE COMPANY

INLAND LIABILITY BASE RATES				
Coverage Amount	Length of Watercraft			
	26' to 34'	35' to 44'	45' to 49'	50' or Greater
\$100,000	\$68	\$95	\$141	\$197
\$300,000	\$79	\$111	\$165	\$227
\$500,000	\$95	\$133	\$196	\$266
\$1,000,000	\$135	\$189	\$274	\$368

2. Apply the Liability Credits and Surcharges.

Multiply the premium (from Step 1) times the applicable credit and surcharge factors listed below. These factors are applied multiplicatively.

- a. **Safety Course Discount.** A 10% discount applies to the liability premium if the insured has a certificate, dated within the most recent 36 months, certifying the completion of an approved Power Squadron or Coast Guard boating safety course. Apply a rating factor of 0.90.
- b. **Account Credit.** A 5% credit is applicable when the named insured carries both auto and homeowners policies with an ACE Company. Apply a rating factor of 0.95.
- c. **Renewal Credit.** Risks will be afforded a credit based on the number of years a watercraft policy has been continuously insured with an ACE Company. Apply the appropriate rating factor as applicable:

<u>Years Insured</u>	<u>Rating</u>
<u>Factor</u> 3 – 5 years	0.95
6 years and over	0.90

- d. **Powerboat Speed Surcharge.** The following surcharges are applicable to powerboats capable of speeds in excess of 29 miles per hour. Apply the appropriate rating factor:

<u>Maximum Speed</u>	<u>Surcharge Rating Factor</u>
30 – 39 mph	1.10
40 – 49 mph	1.25
50+ mph	1.40

Exception: The speed surcharge is not applicable to personal watercraft.

- e. **Loss Surcharge.** Points shall be assigned for accidents or comprehensive losses involving watercraft occurring within the experience period. The experience period shall be the three years prior to the effective date of application or the renewal effective date.
 - (1) One point is assigned for each accident or comprehensive loss resulting in a paid claim of \$1,000 or more.
 - (2) One point is assigned if, during the experience period, there were two or more losses, each of which resulted in a paid claim of less than \$1,000 and have not been assigned points under (1) above.

Exceptions:

1. No points are assigned for the **first** paid accident or comprehensive loss incurred while continuously insured by Pacific Employers Insurance Company.
2. No points are assigned for accidents occurring under the following circumstances:
 - a. The insured was reimbursed by, or on behalf of, a person who was responsible for the accident or there was a judgement against such person; or

NEW YORK PERSONAL INSURANCE WATERCRAFT PACIFIC EMPLOYERS INSURANCE COMPANY

- b. The watercraft is struck by another watercraft and insured has not been convicted of a violation in connection with this accident; or
- c. The operator of the other watercraft involved in the accident was convicted of a violation and the insured was not convicted of a violation in connection with the accident.

Apply the appropriate surcharge rating factor based on the total number of points accumulated during the experience period.

<u>Points</u>	<u>Surcharge Rating Factor</u>
1	1.10
2	1.20
3+	1.30

- f. **Extended Navigational Limits Surcharge.** A 20% surcharge is applicable if the Navigational Limits Extension option is chosen. Apply a rating factor of 1.20.
- g. **Driving Record Surcharge.** A 25% surcharge is applicable if the insured and/or resident operators of the watercraft do not qualify for an auto policy based on driving record eligibility. Apply a rating factor of 1.25.

C. UNINSURED WATERCRAFT COVERAGE

\$25,000 Uninsured Watercraft coverage is included when Liability Coverage is purchased.

1. Determine the Uninsured Watercraft Premium – For Personal Watercraft, Powerboats and Sailboats

To determine the liability premium, choose the amount of coverage then derive the base premium from the applicable chart.

NATIONWIDE PREMIUMS (Excluding Virginia)

COASTAL UNINSURED WATERCRAFT RATES						
Coverage Amount	Personal Watercraft	Length of Watercraft				
		Less than 26'	26' to 34'	35' to 44'	45' to 49'	50' or Greater
\$100,000	\$61	\$61	\$71	\$100	\$149	\$205
\$300,000	\$101	\$101	\$119	\$167	\$248	\$341
\$500,000	\$122	\$122	\$143	\$200	\$294	\$399
\$1,000,000	\$173	\$173	\$203	\$284	\$411	\$552

INLAND UNINSURED WATERCRAFT RATES						
Coverage Amount	Personal Watercraft	Length of Watercraft				
		Less than 26'	26' to 34'	35' to 44'	45' to 49'	50' or Greater
\$100,000	\$30	\$30	\$35	\$50	\$74	\$102
\$300,000	\$50	\$50	\$59	\$83	\$124	\$170
\$500,000	\$61	\$61	\$71	\$100	\$147	\$200
\$1,000,000	\$86	\$86	\$101	\$142	\$206	\$276

NEW YORK PERSONAL INSURANCE WATERCRAFT PACIFIC EMPLOYERS INSURANCE COMPANY

VIRGINIA PREMIUMS

COASTAL UNINSURED WATERCRAFT RATES						
Coverage Amount	Personal Watercraft	Length of Watercraft				
		Less than 26'	26' to 34'	35' to 44'	45' to 49'	50' or Greater
\$100,000	\$76	\$76	\$89	\$125	\$186	\$256
\$300,000	\$121	\$121	\$143	\$200	\$297	\$409
\$500,000	\$145	\$145	\$170	\$238	\$350	\$476
\$1,000,000	\$199	\$199	\$235	\$328	\$476	\$641

INLAND UNINSURED WATERCRAFT RATES						
Coverage Amount	Personal Watercraft	Length of Watercraft				
		Less than 26'	26' to 34'	35' to 44'	45' to 49'	50' or Greater
\$100,000	\$38	\$38	\$44	\$63	\$93	\$128
\$300,000	\$61	\$61	\$71	\$100	\$149	\$205
\$500,000	\$73	\$73	\$85	\$120	\$176	\$239
\$1,000,000	\$100	\$100	\$117	\$165	\$239	\$322

EXCEPTIONS:

- Watercraft Forms and Endorsements applicable in New York

Form Number	Form Name
WC1000 ACE	The ACE Prestige Watercraft Policy
WC1001 ACE	Named Operator Exclusion

- As stated in the Homeowners Policy Program Manual, the following apply to the Personal Insurance Watercraft Program.

GENERAL RULES

- A. Rule 107 POLICY PERIOD
- B. Rule 108 CHANGES OR CANCELLATIONS
- C. Rule 109 MANUAL PREMIUM REVISION
- D. Rule 111 TRANSFER OR ASSIGNMENT
- E. Rule 112 WHOLE DOLLAR PREMIUM RULE
- F. Rule 114. RESTRICTION OF INDIVIDUAL POLICIES
- G. Rule 116 INSTALLMENT OPTIONS
- H. Rule 117 AUTOMATIC DEBIT OF POLICY PREMIUM

Form Number**Form Name**

ACE01	0413	ACE Group of Companies U.S. Privacy Notice
ACE250	0515	New York Policyholder Message (Third Party Designee)
ALL-20887	1006	ACE Producer Compensation Practices & Policies
ALL-21101	1106	Trade or Economic Sanctions Endorsement
CC-24180c	0314	Signature Endorsement
WC1000 ACE	0515	The ACE Prestige Watercraft Policy
WC1001 ACE	0515	Named Operator Exclusion