

NEW YORK YACHT PRODUCER MANUAL

**Atlantic Mutual Insurance Company
Centennial Insurance Company**

New Business Yacht Underwriting Guidelines

ATLANTIC MUTUAL INSURANCE COMPANY CENTENNIAL INSURANCE COMPANY

Hull Value

Over \$100,000 and less than \$1,000,000

Ownership

Must be privately owned or corporately owned as the sole asset of the corporation.

Mooring and Navigation

Must be moored and navigated only in US, Canadian, or, if endorsed, Bahamas territorial waters.

Maximum Speed

45 MPH

Maximum Length

55 feet

Maximum Age

15 years

Use

Must not be used for:
commercial activity.
racing (unless a sailboat).
permanent living quarters.

Experience

All principal operators must:
have a valid US driver's license.
be at least 21 years old.
have three years of boating experience with similar boats.

Prior Losses

No watercraft losses in the past three years

Driving Records

No accidents or violations in the past three years
No major violations in the past five years

Type of Boat

The following boat types are unacceptable:

- Home-made boats
- Jet / air / ice boats
- Pontoon boats
- Multi-hulled or wooden hull boats
- Floating homes
- Boats with Nitrous Oxide boosters
- Sailboats over 20 feet long with no motor
- Boats with horsepower exceeding manufacturer's or USCG's recommendations

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Description of Coverage

The Yacht product is a comprehensive personal lines insurance policy affording property and liability protection for inboards, inboard/out drives, sailboats, and auxiliaries.

Eligibility

A Yacht policy may be issued for privately owned vessels that are greater than 26 feet in length and with hull values in excess of \$100,000 and less than \$1,000,000. Corporate owned vessels are eligible if the yacht is the sole asset of the corporation. The yacht must be used for personal pleasure purposes only.

Multiple Company Insurance

Other insurance is not permitted except insurance against causes of loss not covered by our Yacht policy.

Changes

- A. All changes requiring premium adjustments shall be computed on a pro-rata basis, including any premium which was subject to the minimum premium requirement.
 - B. No charge will be made and no refunds given when the net change amounts to less than \$3.00, unless requested by the policyholder.
 - C. If insurance is cancelled or reduced, the earned premium shall be computed on a pro-rata basis.
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Policy Period

Policies are written for 12 months.

Package Discount

All modules written under an Atlantic Mutual, Atlantic Specialty or Centennial Master Plan are eligible for a package discount. A Master Plan consists of an Auto, Home, and Umbrella under the same policy number. The package discount will be applied to the Yacht and Equipment base premium.

The discount does not apply to optional endorsement rates.

The Package Discount amount is 10%.

General Rules

Rate Revision

A manual rate revision, meaning any revision of rates applicable to the Watercraft, shall be made in accordance with the following procedures:

- A. The effective date of such revision shall be as announced.
- B. The revision shall apply to any new or renewal policy, or binder having an effective date on or after the effective date of any such revision.
- C. All endorsements, regardless when issued, shall be issued using the same rates in effect at the time of policy issuance or renewal issuance.

Whole Dollar Premium

The premium for each exposure shall be rounded to the nearest whole dollar, separately for each coverage provided by the policy.

A premium involving \$.50 or more shall be rounded to the next higher whole dollar. This rule applies to all transactions.

Installments

An additional charge of \$10.00 for a mono-line policy shall be payable with each installment. This charge is waived when the policy premium is automatically debited from a bank account.

The following Installment Options are available: Pre-Paid, One Pay, Two Pay, Four Pay and Ten Pay.

If this policy is written in conjunction with any other policy, the billing is combined and the installment charge is applied to the entire account.

Automatic Debit of Policy Premium

An additional premium of \$10.00 shall be payable each time the funds are not available to cover the automatic debit of policy premium.

Yacht Rating

1. Determine the Physical Damage Base Premium based on the Mooring Location and Type of Yacht.
2. Apply Package Discount if applicable.
3. Apply the appropriate Value Factor based on the Hull Value of the Yacht.
4. Apply appropriate Deductible Credit.
5. Apply Diesel Credit if applicable.
6. Apply Yacht Age Surcharge.
7. Apply the Physical Damage credit for Port Risk if applicable. The result is the Net Physical Damage Premium.
8. Determine Liability Base Premium based on coverage limit and length.
9. Add Net Physical Damage Premium and Liability Base Premium.
10. Add premiums for additional endorsements and dollar adjustments.

Reserved For Future Use

Physical Damage Rules and Rates

Physical Damage Base Premium

These base premiums are applicable only to hull values in excess of \$100,000 and less than or equal to \$250,000. For hull values in excess of \$250,000, please refer to company.

Type of Yacht	Power			Sail	
Mooring Location	Coastal/Tidal	Inland*		Coastal/Tidal	Inland*
Northeast	1,893	1,021		1,534	971
North Central	N/A	935		N/A	889
South Central	3,411	1,301		2,614	1,070
Southeast	2,547	1,334		2,199	1,037
Florida	2,921	1,401		2,155	1,254
Southeast Florida	3,411	1,811		3,077	1,408
Western	1,445	947		1,329	873

* Includes yachts moored in the waters of the San Francisco Bay, Puget Sound, and their tributaries. For yachts moored in the Chesapeake Bay, use Inland rate except in the counties of Accomack and Northampton and the cities of Chesapeake, Hampton, Norfolk, Poquoson, Portsmouth, and Virginia Beach. Coastal/Tidal rates should be used in these counties and cities.

Definitions

Northeast - Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Vermont, Virginia, and West Virginia

North Central - Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Montana, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee, Wisconsin, and Wyoming

South Central - Alabama, Arkansas, Louisiana, Mississippi, New Mexico, and Texas

Southeast - Georgia, North Carolina, and South Carolina

Florida - Florida, except as defined in Southeast Florida

Southeast Florida - Broward, Dade, Monroe, and Palm Beach counties

Western - Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, Utah, and Washington

Physical Damage Rules and Rates

Value Factors

Insured Value	Factor
\$100,000	1.000
110,000	1.084
120,000	1.168
130,000	1.252
140,000	1.336
150,000	1.420
160,000	1.495
170,000	1.569
180,000	1.643
190,000	1.717
200,000	1.791
210,000	1.866
220,000	1.940
230,000	2.014
240,000	2.088
250,000	2.162
Greater than \$250,000	Refer to Company

Deductibles

Amount	Credit
1%	-
2%	10%
3%	20%

Physical Damage Rules and Rates

Physical Damage Credits

Diesel Credit

Vessels with diesel engines will receive a 10% credit.

Yacht Age Surcharge

Determine age of Yacht from the Yacht model year to the inception year of policy.

Age of Yacht	Factor
Under 7 Years	1.00
7 - 8 Years	1.05
9 Years	1.10
10 years	1.15
11 Years	1.25
12 Years	1.35
13 Years	1.50
14 Years	1.65
15 Years	1.80
Greater than 15 years	Refer to Company

Port Risks

Yachts laid up and out of commission for storage during the entire policy term may be insured on a "Port Risk" basis.

Charge 70% of the Physical Damage premium providing the location is acceptable.

Reserved For Future Use

Liability Rules and Rates

Liability Coverage

Liability coverage is available only when written with Physical Damage coverage.

Medical Payments

Medical Payments in the amount of \$10,000 is included with Liability coverage and includes the named insured.

Uninsured/Underinsured Boater Coverage

Uninsured/Underinsured Boater Coverage is included with Liability coverage with a limit of liability equal to the Liability limit.

Liability Base Premium

Limits	\$100,000*	\$300,000	\$500,000
Up to 30'11"	\$113	\$124	\$169
31' to 36'11"	127	140	191
37' to 42'11"	174	192	262
43' to 50'11"	222	244	325
51' to 70'	317	350	476
70' and over	Submit to Company		

*\$100,000 limit not available for new business

Reserved For Future Use

Additional Endorsements Rules and Rates

Bahamas Coverage

The policy may be endorsed to extend the navigation territory to include the waters of the Bahama Islands, including trips to and from US coastal waters. A surcharge of 10% will apply when this endorsement is added.

The policy deductible is automatically doubled when the Bahamas Endorsement is on the policy and the Yacht is outside of US territorial waters.

Attach Watercraft 6 - Bahamas Coverage

Reserved For Future Use

<u>Form Number</u>		<u>Form Name</u>
ATL - 1	(01/01)	Mutual Policy Conditions
ATL - 12	(04/01)	Notice of Insurance Information Practices
Watercraft	(07/06)	Watercraft Contract
Watercraft 6	(06/03)	Bahamas Coverage Endorsement
Watercraft14	(07/06)	New York Yacht Endorsement

[illegible]



NEW YORK

**EFFECTIVE: 07/15/04 New Business
09/01/04 Renewals**

MODULE AND PAGE

REASON

ALL MODULES
All Pages

Delete references to Atlantic Specialty Insurance Company

HOME
6.1-6.5, 7-1, 7.2

Withdraw separate Centennial rates for Optional Coverages and Personal Liability

HOME BASE RATES

Withdraw separate Centennial Base Rates for Owners, Tenants and Condos

AUTO
4.6
6.1 and 6.2
9.1, 9.3 and 9.5

Excess Vehicle Credit Revision
Model Year Rating Rule
Revised Primary Class Factors

BASE RATE PAGES

Rate Change

Please place this bulletin in your New York PLS manual.



NEW YORK

**EFFECTIVE: 05/01/06 New Business
06/15/06 Renewals**

MODULE AND PAGE

REASON

VAUABLES

1.2

Rate Revision rule revised

WATERCRAFT

Underwriting Guidelines

1.1

4.2, 4.4, 4.6 & 4.8

Revised

Rate Revision rule revised and change in Eligibility

Add rates per \$1000 of coverage in excess of \$100,000

YACHT

1.2

Rate Revision rule revised



(GA, IL, MN, NJ, NY, VA, WA)

EFFECTIVE: 06/01/06 New Business
07/15/06 Renewals

MODULE AND PAGE

REASON

YACHT

4.1

Delete Longhoremens and Harbor Workers'
Compensation

Forms Listing

Revised Watercraft-0603 to Watercraft-0706
Watercraft14-0603 NY Yacht Endorsement is replaced by Watercraft14-0706

WATERCRAFT

Forms Listing

RevisedWatercraft-1298 to Watercraft-0606

Watercraft15-0603 NY Watercraft Endorsement is replaced by Watercraft15-0606
Watercraft2-1298 GA Watercraft Endorsement is replaced by Watercraft2-0606
Watercraft4-1298 IL Watercraft Endorsement is replaced by Watercraft4-0606
Watercraft7-0703 VA Watercraft Endorsement is replaced by Watercraft7-0606
Watercraft20-0903 MN Watercraft Endorsement is replaced by Watercraft20-0606

Please place this bulletin in your PLS manual.