



STATE	Indiana
LINE OF BUSINESS	Hullmaster Plus Boatowners
UNDERWRITING COMPANY	Donegal Mutual Insurance Company
EFFECTIVE DATE(S)	NEW BUSINESS: July 1, 2013 RENEWALS: July 1, 2013
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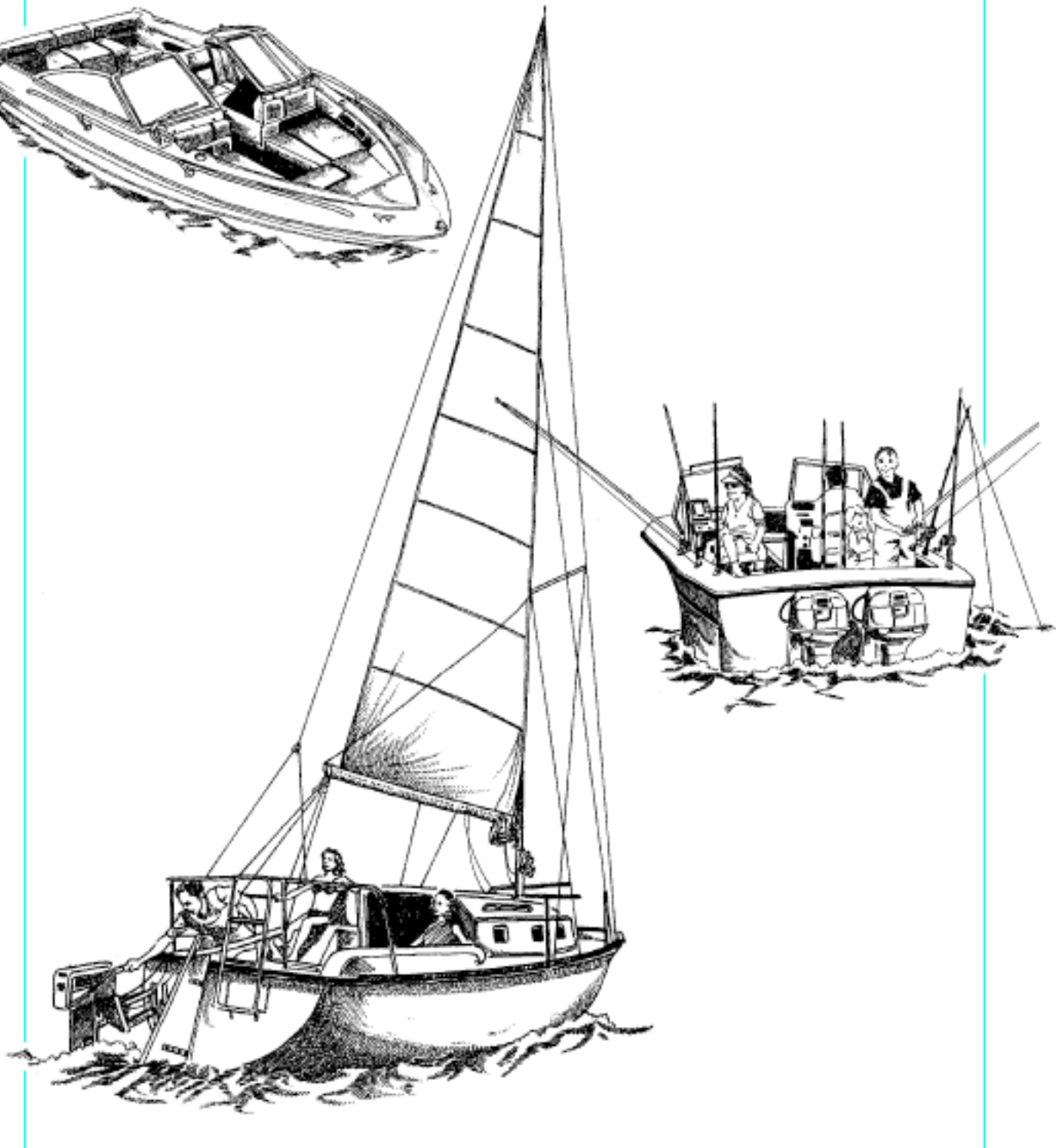
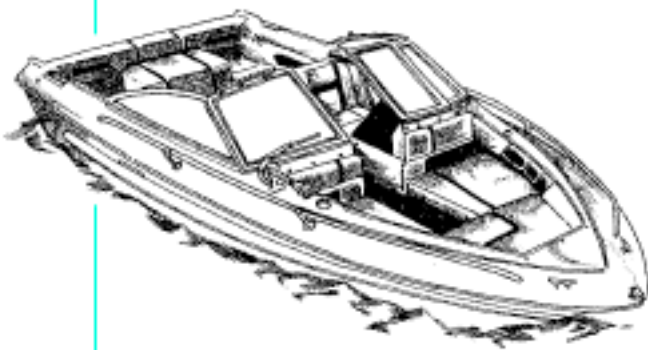
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HULLMASTER PLUS

BOATOWNERS PROGRAM MANUAL



BOATOWNERS PROGRAM MANUAL

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BOATOWNERS PROGRAM MANUAL

I. INTRODUCTION

The Donegal Mutual Hullmaster Plus Boatowners Program is designed to provide both physical damage and liability coverage for watercraft which is privately owned and used for pleasure purposes. The program is intended to insure small to moderately sized boats which are appropriately powered, and primarily located and used within the Donegal Mutual's Underwriting Territory. Average to above average watercraft risks which are used on a seasonal basis and then placed in storage ashore in the off-season should comprise the majority of the business placed in Donegal Mutual's Boat Program.

This Donegal Mutual Boatowners Program Manual contains the rules, rates, forms/endorsements, and eligibility guidelines applying to coverage written under the Boatowners Program.

II. ELIGIBILITY RULES

A. Eligible Boats. A Boatowners Policy may be issued to cover the following types of watercraft:

- (1) Outboard motor boats.
- (2) Inboard/Outdrive boats.
- (3) Inboard boats.
- (4) Sailboats (with or without auxiliary power).

B. Ineligible Risks. The following risks are not eligible for the Boatowners Program:

(1) Types of boats or watercraft:

- a. Racing boats.
- b. War surplus or converted military boats.
- c. Homemade or kit-built boats.
- d. Jet-powered boats.
- e. Airboats.
- f. Amphibious craft.
- g. Jet skis, aqua cycles, power surfboards and power skis.
- h. Houseboats.
- i. Experimental boats and special or unique boats.
- j. Boats while under construction.
- k. Boats using gasoline or white gas as a cooking fuel.

(2) Types of boat engines and horsepower:

- a. Any boat powered by a jet engine.
- b. Boats powered by engines which exceed the manufacturers recommended maximum horsepower.
- c. Any boat powered by a modified or hi-performance engine.
- d. Any boat powered by a non-marine engine.

(3) Speed of boat:

- a. Any boat with an advertised maximum speed in excess of 45 miles per hour.
- b. Any boat modified to attain a speed in excess of 45 miles per hour.

(4) Use of boat:

- a. Any boat used as permanent living quarters.
- b. Any boat used for rent, hire, charter, business or other commercial purposes.
- c. Any boat used in racing or speed trial contests (except sailboats).

(5) The operators:

- a. Where the owner or principal operator of the boat is under age 21.
- b. If the owner or principal operator of the boat has a combination of two or more at-fault motor vehicle accidents and/or boating accidents within the past 36 months.
- c. Where the owner or principal operator of the boat has two or more motor vehicle moving violations within the past 36 months.

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- d. If the owner or principal operator of the boat has a combination of one at-fault motor vehicle accident or boating accident and one separate motor vehicle moving violation within the past 36 months.
- e. Any risk where the owner or principal operator of the boat has been convicted of driving a motor vehicle or operating a watercraft while under the influence of alcohol or drugs within the past 60 months.
- f. Where the motor vehicle records and loss experience data of all the boat operators combined indicate an unacceptable pattern of accidents and violations while operating motor vehicles and/or watercraft.

C. Non-binding list. The following risks must be submitted to the company to determine eligibility. Do not bind coverage without prior company approval:

- (1) Boats over 30 feet in length.
- (2) Boats with a current value in excess of \$35,000.
- (3) Boats over 10 years old and with wooden hull.
- (4) Boats over 15 years old.
- (5) Inboard or Inboard-outdrive boats with a value less than \$2,000.
- (6) Boats that are normally used or located outside of Donegal Mutual's underwriting territory of Indiana and Ohio.
- (7) Boats with multiple or corporate ownership.

III. COVERAGES, PERILS AND RATING PROCEDURES

A. Basic Coverages. The Boatowners Policy contains two sections:

- (1) Section I - Property Coverage
- (2) Section II - Liability Coverage

The basic Section I and Section II Coverages are as follows:

Section I - Property Coverage	Coverage per Boatowners Form BT-3
A - Boat	Coverage provided for boat hull and permanently attached equipment.
B - Outboard Motor	Coverage is for outboard motor and controls, fuel tanks, electric starting equipment.
C - Portable Equipment	Coverage is provided for miscellaneous watercraft portable equipment.
D - Trailer	Coverage may be carried for a boat trailer.
Section II - Liability Coverage	
E - Boat Liability	Coverage for bodily injury and property damage arising from boat accidents.
F - Medical Payments	Covers medical expenses incurred due to an accident causing bodily injury.

The basic Section I and Section II limits and their relationships are as follows:

Section I	Limits and Relationships
A - Boat	Refer to premium section of manual for required limit.
B - Outboard Motor	Refer to premium section of manual for required limit.
C - Portable Equipment	10% of Coverage A - Boat is basic limit. Increased Coverage C is permitted.
D - Trailer	Coverage for boat trailer is optional.
Section II	
E - Boat Liability	\$100,000 is basic limit
F - Medical Payments	\$1,000 is basic limit.

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B. Additional Coverages. The Boatowners Policy contains several additional coverages in both Section I and Section II.

The Additional Coverages in Section I and Section II are as follows:

Section I-Additional Coverages	Description
Newly Acquired Property	Coverage is provided for newly acquired boats, outboard motors, and trailers. Certain conditions and exclusions apply.
Portable Equipment Extension	Up to 5% of Coverage A - Boat insurance limit is available as an additional amount of insurance on portable equipment. A \$100 minimum and a \$500 maximum amount apply. Certain other conditions apply.
Equipment on Shore Extension	A covered loss to watercraft equipment which is separated from the boat and laid up on shore - up to 50% of the insurance amount on Coverage A - Boat is provided. Certain conditions apply.

Section II - Additional Coverages	Description
Non-owned Boats	Boat liability is extended to provide coverage for a named insured and family member's use of a boat and outboard motor which is not owned. Certain conditions and exclusions apply.
Newly Acquired Boat or Outboard Motor	Liability coverage is provided for newly acquired boats or outboard motors if reported to company within 30 days of delivery to named insured. Certain other conditions apply.
Claim Expenses	Additional coverage is provided for incurred claim expenses and costs taxed against an insured for a suit we defend, reasonable expenses incurred by an insured at our request, etc. Certain conditions apply.
First Aid Expenses	Expenses for first aid to others which are incurred by an insured due to bodily injury are covered as additional limits to the policy limits of liability.
Bail Bond Expenses	Up to \$250 coverage for the cost of bail bonds required because of a covered occurrence while operating an insured boat including a related waterways traffic law violation.
Removal of Wreck	Coverage provided for expenses resulting from insured's legal obligation to raise, remove or destroy the wreck of the insured boat, or the attempt thereof.
Rescue Expenses	Expenses of rescuing insured and passengers after a covered occurrence while on the water and for which insured is legally liable.
Civil Authority	When ordered to do so by a Civil Authority, payment will be made for removal of a sunken or stranded boat, or loss to covered property destroyed in order to retard the spread of fire, regardless of legal liability.

C. Perils Insured Against.

Section I Coverages	Perils Insured Against
A - Boat B - Outboard Motor C - Portable Equipment D - Trailer	All risks of direct physical loss or damage to the property covered by the policy, with certain stated exclusions.
Section II Coverages	Protection Provided
E - Boat Liability	Covers loss resulting from insured's legal responsibility for accidental bodily injury or death, or property damage to others caused by a boat accident.
F - Medical Payments	Coverage is provided for actual medical expenses incurred regardless of legal liability, for accidental bodily injury to any person caused by a covered boat accident.

BOATOWNERS PROGRAM MANUAL**D. Rating Procedures.**

- (1) Total the current values of the boat, motor, increased portable equipment* and boat trailer. Round this combined value to the nearest \$1,000.
- (2) Use this combined value to determine the BASE PREMIUM from [TABLE 1](#).
- (3) Multiply the BASE PREMIUM by any applicable debits or credits from [TABLE 2](#). Round the premium to the nearest whole dollar after each debit or credit computation. This total is the ADJUSTED BASE.
- (4) Select the desired Optional Increased Section II Coverages from [TABLE 3](#) and add the appropriate premiums.
- (5) Add any premiums for Other Optional Coverages selected from [TABLE 4](#).
- (6) Calculate the TOTAL by adding the ADJUSTED BASE, [TABLE 3](#) Optional Coverage Premiums and [TABLE 4](#) Other Optional Coverage Premiums.
- (7) Multiply the TOTAL by the appropriate Navigational Territory Factor from [TABLE 5](#) to arrive at the TOTAL PREMIUM.

* Basic portable equipment limit is 10% of the applicable Coverage A - Boat limit. Only add in here the desired increased limit over this 10% of Coverage A - Boat Basic Limit.

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IV. PREMIUM TABLES SECTION

A. Base Premium - Table 1

TABLE 1 - Annual Base Premiums			
Limit	Premium	Limit	Premium
\$ 1,000*	\$58	\$ 26,000	\$342
2,000	86	27,000	345
3,000	110	28,000	347
4,000	127	29,000	349
5,000	138	30,000	350
6,000	146	31,000	353
7,000	151	32,000	355
8,000	158	33,000	357
9,000	168	34,000	360
10,000	179	35,000	362
11,000	191	36,000	367
12,000	202	37,000	369
13,000	211	38,000	372
14,000	220	39,000	374
15,000	229	40,000	376
16,000	244	41,000	380
17,000	260	42,000	383
18,000	275	43,000	387
19,000	287	44,000	390
20,000	298	45,000	393
21,000	309	46,000	396
22,000	318	47,000	400
23,000	325	48,000	403
24,000	333	49,000	406
25,000	340	50,000	410
		Each Add'l 1,000	11

* Limit for boat, outboard motor and increased portable equipment must total at least \$1,000.

B. Adjusted Base Premium Factors - Table 2

TABLE 2 - Credit and Debit Factors	
Previous Boat Owner Credit	0.95
Boater's Safety Course Completion Credit	0.95
Fire Extinguishing System (Built-in)	0.95
Diesel Engine Credit (Power boats only)	0.90
Sailboats	0.80
VHF Ship-to-Shore Radio or Hi-Seas Radiophone	0.97
Depth Finder	0.97
Loran C, Radar and/or Satellite Navigation System	0.97
Vapor or Fume Detection System	0.97
Donegal Mutual Homeowners Policy Credit	0.90
A maximum allowable credit of .40 will apply to all credits listed above.	
Inexperienced Operator	1.10
Multiple Ownership	1.10
Boats 6 - 10 Years Old	1.05
Boats 11 - 15 Years Old	1.15
Boats over 15 Years Old	1.25
\$ 50 Deductible	1.20
\$ 100 Deductible	1.00
\$ 250 Deductible	0.90
\$ 350 Deductible	0.85
\$ 500 Deductible	0.80
\$1000 Deductible	0.75
Boat Replacement Cost (See Table 4)	1.10

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C. Optional Coverage Premiums - Tables 3 and 4

TABLE 3 - Section II Increased Limits Options			
Coverage E - Boat Liability		Coverage F - Medical Payments	
Limit	Premium	Limit	Premium
\$100,000	—	\$1,000	—
\$200,000	\$12	\$2,000	\$ 6
\$300,000	\$17	\$3,000	\$ 9
\$400,000	\$26	\$4,000	\$13
\$500,000	\$33	\$5,000	\$16

TABLE 4 - Other Optional Coverages	
Boater's Emergency Towing and Labor Services	
Limit	Premium
\$ 100 per occurrence	\$ 4 per boat
\$ 200 per occurrence	\$ 6 per boat
\$ 300 per occurrence	\$10 per boat
\$ 500 per occurrence	\$17 per boat
\$1000 per occurrence	\$33 per boat
Boat Replacement Cost Coverage *	
Insure boat for 70% to 100% of replacement value and apply a 1.10 factor times the BASE PREMIUM.	
* Not all boats are eligible for this option. Refer to the manual rules for eligibility requirements.	
Uninsured Boaters Coverage	
Limit	Premium
\$ 1,000.....	\$ 2 per boat
\$ 5,000.....	\$ 4 per boat
\$ 10,000.....	\$ 6 per boat
\$ 25,000.....	\$12 per boat
\$ 50,000.....	\$17 per boat
\$100,000.....	\$23 per boat
Boater's Personal Property Coverage	
Limit	Premium
\$ 500	\$17
\$1,000	\$33
\$2,000	\$44
\$3,000	\$55
\$4,000	\$66
\$5,000	\$77
Each Additional \$1,000.....	\$17

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D. Navigational Territory Adjustment - Table 5

TABLE 5 - Navigational Territory Factors		
Territory Number	Description	Factor
1	Inland Waters - Excluding Great Lakes & Rivers	.95
2	Inland Waters, Great Lakes, Chesapeake Bay, Delaware Bay-Excluding Rivers	1.00
3	Inland Waters, Great Lakes, Chesapeake Bay, Delaware Bay,-Including Rivers	1.10
4	Inland Waters, Great Lakes, Chesapeake Bay, Delaware Bay, Rivers, Coastal Waters	1.15

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V. ADJUSTED BASE PREMIUMS

A. Boat Replacement Cost

This coverage amends the basic policy language to provide Replacement Cost Coverage for the boat as insured under Section I, Coverage A - Boat.

To be eligible for this optional coverage, the following requirements must be met:

- (1) The boat must be five (5) years old or newer;
- (2) The initial request to add Replacement cost Coverage must be made within 30 days of the boat purchase; or insured's previous boat policy must have contained Boat Replacement Cost Coverage.
- (3) The present market value of the boat must be at least 50% of the current applicable model value (or nearest applicable model value);
- (4) Coverage for the boat must be written for 70% - 100% of the current model value of the insured boat.

The premium for this coverage is developed by applying a 1.10 factor to the BASE PREMIUM.

Use Endorsement BT-601

B. Previous Boat Owner Credit

This credit is available if the named insured has been the owner of the same or similar type boat for more than one year (365 days) preceding the policy effective date.

To qualify for this credit, the named insured must have been the owner for the time period specified above, of the same boat or a similar type boat. A similar type boat is determined as a boat which is reasonably the same in type, size and horsepower.

The credit for Previous Boat Owners is developed by applying a .95 factor to the BASE PREMIUM.

C. Boater's Safety Course Completion Credit

If the named insured has successfully completed a boating safety course applicable to their type boat, a credit may be applied. The boat safety course must have been taught by the U.S. Coast Guard Auxiliary, U.S. Power Squadron or Red Cross. A copy of the completion certificate must accompany the Boatowners Application before the credit will be applied.

The credit available for Boater's Safety Course Completion is developed by applying a .95 factor to the BASE PREMIUM.

D. Fire Extinguishing System Credit (Inboards and Inboard/Outdrives Only)

If an inboard or inboard/outdrive boat has a **built-in automatic fire extinguishing system** installed, a credit is available. The credit does not apply to sailboats with auxiliary power.

Compute the credit for a qualified built-in automatic fire extinguishing system by applying a .95 factor to the BASE PREMIUM.

E. Diesel Engine Credit (Inboards and Inboard/Outdrives Only)

If an inboard or inboard/outdrive boat is powered by a diesel engine, a credit may be applied. This credit may not be applied to sailboats with auxiliary power.

The Diesel Engine Credit available is developed by applying a .90 factor to the BASE PREMIUM.

F. Sailboat Credit

A credit will be applied if the boat insured is a sailboat. The credit is available if the sailboat operates with or without auxiliary power.

Compute the Sailboat Credit by applying a .80 factor to the BASE PREMIUM.

BOATOWNERS PROGRAM MANUAL**G. VHF Ship-to-Shore Radio or Hi-Seas Radiophone Credit**

If the boat is equipped with an operable VHF Ship-to-Shore Radio or a Hi-Seas Radiophone, a credit may be applied. A Citizen Band (CB) radio does not qualify for this credit.

The radio credit is developed by applying a .97 factor to the BASE PREMIUM.

H. Depth Finder Credit

When the boat is equipped with an operable depth finder, a credit is available.

The credit for a depth finder is determined by applying a .97 factor to the BASE PREMIUM.

I. Loran C, Radar and/or Satellite Navigation System Credit

If the boat is equipped with one or more of the following devices, a credit is available: 1) Loran C, 2) Radar, and/or 3) Satellite Navigation System.

The credit for any one or more of the above devices is developed by applying a .97 factor to the BASE PREMIUM.

J. Vapor or Fume Detection System Credit

If the boat is equipped with an operable vapor or fume detection system, a credit may be applied.

The credit for a vapor or fume detection system is developed by applying a .97 factor to the BASE PREMIUM.

K. Donegal Mutual Homeowners Policy Credit

If the named insured's Homeowners or Farmowners Insurance Policy is currently issued through Donegal Mutual Insurance Company, they are entitled to an additional credit on their Boatowners Policy.

The Donegal Mutual Homeowners Policy Credit is determined by applying a .90 factor to the BASE PREMIUM.

A maximum allowable credit of .40 will apply to credits listed in Items B. through K. above.

L. Inexperienced Operator Charge

If the principal operator of the boat(s) does not have at least 3 years of boating experience with the same or a similar type boat, then the premium will be subject to a surcharge.

The Inexperienced Operator Surcharge is computed by applying a 1.10 Factor to the BASE PREMIUM.

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M. Multiple Ownership Charge

If a boat has multiple owners (dual, partnership, business, corporate, etc.), then the premium will be subject to a surcharge.

The Multiple Ownership surcharge is computed by applying a 1.10 factor to the BASE PREMIUM.

N. Boat Age Charges

When a boat falls into certain age categories, the premium will be subject to a surcharge.

The Boat Age surcharge is determined by applying the following factors to the BASE PREMIUM:

Age of Boat	Factor
6 - 10 years old	1.05
11 - 15 years old	1.15
over 15 years old	1.25

O. Deductible Options

All Boatowners policies are subject to a deductible applicable to losses from Section I perils insured against, as stated in the policy. The BASE DEDUCTIBLE for this Boatowners Program is \$100. Other optional deductibles are available.

The following are the various deductible options available and the factors which are applied to the BASE PREMIUM:

Deductible	Factor
\$ 50	1.20
\$ 100	1.00
\$ 250	0.90
\$ 350	0.85
\$ 500	0.80
\$1,000	0.75

VI. OPTIONAL COVERAGES PREMIUM SECTION

A. Section I Options

(1) Boater's Emergency Towing and Labor Services

This endorsement extends the basic policy to pay for the reasonable expenses incurred as a result of the following emergency services required for your boat or boat trailer:

- a. towing to the nearest available marina, garage, service station or other service point;
- b. mechanical labor at the place of disablement;
- c. cost to tow or pull them out if stuck;
- d. cost to deliver fuel, oil, battery or change of a tire (does **not** include the cost of these items);
- e. cost to jump or charge a battery, or loan of a battery.

The deductible does not apply to this coverage.

The optional limits and additional premium is as follows:

Limit	Premium Per Boat
\$ 100	\$ 4
\$ 200	\$ 6
\$ 300	\$10
\$ 500	\$17
\$1,000	\$33

Use Endorsement BT-600

BOATOWNERS PROGRAM MANUAL

(2) Boater's Personal Property Coverage

This is a coverage you may elect to carry on owned boat personal property while aboard the boat. The endorsement provides coverage for risks of physical loss with stated exclusions for property aboard the boat such as water skis, wearing apparel, sports equipment, cameras, radios, TV's, tape players, etc.

Coverage is provided on an actual cash value basis, and is subject to a \$100 deductible.

The available limits and additional premium is as follows:

Limit	Premium
\$ 500	\$17
\$1,000	\$33
\$2,000	\$44
\$3,000	\$55
\$4,000	\$66
\$5,000	\$77
Each Add'l.\$1,000	\$17

Use Endorsement BT-603

B. Section II Options

(1) Coverage E - Boat Liability Options

The basic Coverage E - Boat Liability limit is \$100,000. Optional higher limits are available for an additional premium.

The following liability limits are available:

Limit	Premium
\$100,000	—
\$200,000	\$12
\$300,000	\$17
\$400,000	\$26
\$500,000	\$33

The same limit must apply to each boat on the policy.

(2) Coverage F - Medical Payments Options

The basic Coverage F - Medical Payments limit is \$1,000. Optional higher limits are available for an additional premium charge.

The following Medical Payments limits are available:

Limit	Premium
\$1,000	—
\$2,000	\$ 6
\$3,000	\$ 9
\$4,000	\$13
\$5,000	\$16

The same limit must apply to each boat on the policy.

(3) Uninsured Boaters Coverage

This endorsement provides coverage for payment of damages which an insured becomes legally entitled to recover, due to bodily injury received aboard the boat and caused by an uninsured boater.

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The Optional Uninsured Boaters Coverage limits of liability and additional premiums are:

Limit	Premium Per Boat
\$ 1,000	\$ 2
\$ 5,000	\$ 4
\$ 10,000	\$ 6
\$ 25,000	\$12
\$ 50,000	\$17
\$100,000	\$23

The same limit must apply to each boat on the policy. Limits may be equal to, but not in excess of, the limits provided under the policy for Coverage E - Boat Liability.

Use Endorsement BT-602

VII. NAVIGATIONAL TERRITORY ADJUSTMENT

- A. The Donegal Mutual's Hullmaster Plus Boatowners Program rating structure has been developed primarily for boats regularly operated, moored or registered in the States of Indiana and Ohio. These are the states which comprise the normal Donegal Mutual Underwriting Territory. Incidental use of the boats outside of this normal underwriting territory is anticipated however, and is not prohibited by the policy.

The appropriate Navigational Territory should be determined by where the insured expects to use the boat, and the appropriate factor should be applied to the TOTAL in order to determine the TOTAL PREMIUM.

The Navigational Territories and applicable factors are as follows:

Territory Number	Description	Factor
1	Inland Waters Only - Excluding the Great Lakes and Rivers.	0.95
2	Inland Waters, Great Lakes, Chesapeake Bay, Delaware Bay - Excluding Rivers	1.00
3	Inland Waters, Great Lakes, Chesapeake Bay, Delaware Bay - Including Rivers	1.10
4	Inland Waters, Great Lakes, Chesapeake Bay, Delaware Bay, Rivers, Coastal Waters	1.15

VIII. OTHER PROVISIONS

A. Mandatory Coverages

It is mandatory that insurance be written for both Section I and Section II Coverages of the Boatowners Policy. The following rules apply:

(1) Section I - Property Coverage

Insurance must be written for Coverage A - Boat and/or Coverage B - Outboard Motor.

(2) Section II - Liability Coverages

Insurance must be written for Coverage E - Boat Liability and Coverage F - Medical Payments for each boat or outboard motor covered under Section I of this policy.

B. Policy Period

The Boatowners Policy will be issued for a period of one year and may be extended for successive policy periods by a renewal certificate based upon the premiums, policy forms and endorsements in effect for the Company at that time.

C. Continuous Renewal Plan

The Boatowners Policy may be continued for successive one year terms upon payment of the required premium to the Company on or before the inception date of each successive term. The continuation premium will be based on the premiums in effect for the Company at the renewal date. The current editions of the applicable policy forms and endorsements will be made a part of the policy.

BOATOWNERS PROGRAM MANUAL**D. Policy Changes**

Policy changes will be permitted during a current policy period. Additional or return premiums for policy changes will be computed pro rata of the annual premium.

E. Waiver of Premium

When a policy is endorsed subsequent to the policy inception date, any additional or return premium of \$3.00 or less may be waived.

F. Whole Dollar Premium Rule

All premiums shown on the policy and/or endorsements will be rounded to the nearest whole dollar. For this purpose, a premium of fifty cents (\$.50) or more will be rounded to the next higher whole dollar.

G. Minimum Premiums

- (1) A minimum **annual** premium of \$50 will be charged for each policy issued by the Company.
- (2) A minimum **earned** premium of \$25 will apply and be due the Company when the policy is cancelled by the insured.

H. Billing Plan

(1) Installment Payment Plan Option

a. Direct Bill – New Business

i. One Year Policy – Full Payment

Entire annual premium required at policy inception. No service charge applied.

ii. One Year Policy – 2 Pay Plan

50% downpayment required at policy inception and 50% plus service due in four (4) months.

iii. One Year Policy – 4 Pay Plan

25% downpayment required at policy inception and 25% plus service charge due every three (3) months thereafter.

iv. One Year Policy – 6 Pay Plan

16.67% downpayment required at policy inception and then 5 consecutive payments of 16.67% plus service charge due every two (2) months thereafter.

b. Direct Bill – Renewals

i. One Year Policy – Full Payment

Entire annual premium required at policy renewal date. No service charge applied.

ii. One Year Policy – 2 Pay Plan

50% plus service charge required at policy renewal date and 50% plus service due in four (4) months.

iii. One Year Policy – 4 Pay Plan

25% plus service charge required at policy renewal date and 25% plus service charge due every three (3) months thereafter.

iv. One Year Policy – 6 Pay Plan

16.67% plus service charge due at policy renewal date and 16.67% plus service charge due every two (2) months thereafter.

c. Additional Payment Options – New Business and Renewals

Personal lines type policies issued for a policyholder may be eligible for a Personal Lines Account Billing Program. This option, if selected by a policyholder, allows multiple Personal Lines policies to be billed on a common invoice; the Personal Lines Account Billing Program also provides additional installment options for single policies from those listed in a. and b. above.

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The following provisions apply:

- i. Six Month Policy – 2 Pay Plan
Two installments comprised of a 50% initial installment, and then 50% due in three (3) months.
 - ii. Six Month Policy – 4 Pay Plan
Four installments comprised of a 25% initial installment, and then 3 consecutive monthly installments of 25%.
 - iii. One Year Policy – 2 Pay Plan
Two installments comprised of a 50% initial installment, and then 50% due in six (6) months.
 - iv. One Year Policy – 4 Pay Plan
Four installments comprised of a 25% initial installment, and then 25% due every three (3) months thereafter.
 - v. One Year Policy – 6 Pay Plan
Six installments comprised of a 16.67% initial installment, and then 16.67% due every two (2) months thereafter.
 - vi. One Year Policy – 10 Pay Plan
Ten installments comprised of a 10% initial installment, and then 9 consecutive monthly installments of 10%.
 - vii.. An Account with both six-month and twelve-month policies would combine the installments as described above.
 - viii. An insured will always maintain the option to pay either the minimum amount due or the outstanding balance due.
 - ix. One service charge will be applied per invoice produced no matter how many policies are listed on the Account Bill invoice.
- (2) Automatic Payment Plan Option (EFT) – New Business and Renewals

Payments are made by authorized electronic funds transfer with a choice of withdrawal on either the 1st or 15th of the month. The final installment for a policy may be slightly higher or lower due to rounding. EFT may apply to single or multiple Personal Lines Policies.

The following provisions apply:

- i. One Year Policy – 1 Installment
100% of premium is paid in full. No service charge applies.
- ii. One Year Policy – 2 Installments
Two installments comprised of a 50% initial installment, and then 50% due in six (6) months.
- iii. One Year Policy – 4 Installments
Four installments comprised of a 25% initial installment and 25% due every three months thereafter.
- iv. One Year Policy – 12 Installments
Twelve installments comprised of an 8.33% initial installment, and then 11 consecutive monthly installments of 8.33%.

BOATOWNERS PROGRAM MANUAL**(3) Service Fees**

- a. For payments made by other than electronic funds transfer, the applicable service charge applied to the installment option will be \$7.00 for options **(1)a.** and **(1)b.** above and \$9.00 for option **(1)c.** above.
- b. For (2) Automatic Payment Plan Option (EFT) above, a \$2.00 service charge will be applied per electronic funds transfer withdrawal.

(4) Fees

The company will charge a \$18 late fee for each late payment received. The company will charge a \$20 insufficient funds fee for each payment that is returned to the company for not sufficient funds.

Refer to the Accounting Department Section of the Donegal Mutual Agent's Guide for specific rules regarding billing procedures.

I. Territory

The Boatowners Policy will apply to covered losses which occur within the territorial waters (up to 12 miles offshore) of the continental United States, including Alaska and Canada. If we make any exception to this territorial limitation, it will be stated in the Policy Declarations and subject to an additional premium charge.

J. Navigational Period

The Donegal Mutual Boatowners Policy rating structure includes what would be considered normal annual navigation periods including a reasonable time period for lay-up of the boat. Therefore, no credit for lay-up periods will be applicable.

K. Transfer or Assignment

The Boatowners Policy may not be transferred or assigned by anyone at any time unless the Company gives prior written consent.

L. Restriction of Individual Policies

If a Boatowners Policy would not be issued by the Company due to unusual or hazardous circumstances and/or exposures, the named insured may request a restriction of the policy. However, no reduction in the premium is allowed. All such requests must be referred to the Company.

M. Cancellation

It will not be permissible to cancel any of the mandatory coverages in the policy unless the entire policy is cancelled.

If the policy is cancelled at the request of the insurer, the earned premium will be computed on a pro rata basis.

If the policy is cancelled at the request of the insured, the earned premium will be computed on a pro rata basis but subject to a \$25 minimum earned premium as stated in the **Minimum Premiums** Section of this manual.

BOATOWNERS PROGRAM MANUAL**IX. FORMS AND ENDORSEMENTS LISTING**

The following is a listing of the forms and endorsements currently used in the Hullmaster Plus Boatowners Program:

- A. Hullmaster Plus Boatowners Policy — BT-3 (10-89)
- B. Amendatory Endorsement – Indiana – BT-213 (7-12)
- C. Boater's Emergency Towing and Labor Services Endorsement — BT-600 (10-89)
- D. Boat Replacement Cost Endorsement — BT-601 (10-89)
- E. Uninsured Boaters Coverage Endorsement — BT-602 (10-89)
- F. Boater's Personal Property Coverage Endorsement — BT-603 (5-08)
- G. Restriction of Individual Policies – BT-604 (6-04)

Sample copies of each form and endorsement listed above are enclosed at the end of this manual. These are provided for your reference purposes only.