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MARINE LOAN INSURANCE REQUIREMENTS

Standard Requirements:

- Insurance Company must be rated "A-" or better by A.M. Best.
- Lienholder with Loss Payee endorsement:
    - USAlliance Federal Credit Union ISAOA/ATIMA
    - PO Box 150
    - Northville, NY 12134
- 30 Day Notice of Cancellation is required (10 Day Notice for non-payment).
- Coverage must be effective on or before the date of funding.
- Evidence of Insurance must be a binder (ACORD 23 or 27 Insurance Binder is preferred) or certificate of coverage; an insurance application or quote will not be accepted for proof of coverage; policy must be for recreational use only; a commercial policy will not be accepted.
- Mooring location(s) and Navigational Limits must be shown.
- Conditions of Coverage appearing on binder must be met prior to funding.

Coverages:

- Agreed Value or Replacement Cost Coverage on Hull and Machinery is required; Amount of Coverage should be for the equal to or greater than the loan amount; Actual Cash Value (ACV) coverage is not acceptable except on outboard motors.
- Standard Deductible may not exceed 3% of the Agreed Value or Replacement Cost, with the following exceptions:
    - Named Storm coverage - 10% maximum in the following states AL, FL, GA, HI, LA, MS, NC, SC, TX, PR
    - High Performance vessels – 10% maximum
    - Theft of Outboard Motors – 10% maximum
- Breach of Warranty coverage is required on all loans >/= $1,000,000 and must cover the loan amount.
- Liability Coverage is required as per the state statute.
- Vessel, Trailer, and Outboard Engines must be identified with serial numbers.
- Named Insured must cover all Borrowers and all Named Insureds must be a Borrower (unless a spouse).
- If Title is held by an SPE, the SPE must be a Named Insured or an Additional Insured.

Additional Limited Charter Coverages:

- Evidence of insurance must confirm coverage for charters operated by a licensed captain; bareboat charters are not permitted
- Liability Coverage of no less than $1,000,000 single limit or combined single limit.
- Breach of Warranty coverage in favor of USAlliance Federal Credit Union covering the loan amount (all loans, regardless of size).

Additional Foreign Funding Coverages:

- Shipping Insurance if transported by Cargo Ship; evidence of insurance must include:
    - Certificate naming USAlliance FCU as Loss Payee and Additional Insured.
    - Amount of Coverage must be for the full purchase price and shown in USD.
    - War-risk coverage/endorsement.
    - Maximum Deductible of 2% of Amount of Coverage.
    - Description of the Collateral.
    - Correlate to the shipping details (name of cargo ship, shipping dates, place of loading/off-loading, etc.).
- If being transported on its' own bottom or not being transported by cargo ship, evidence of insurance must include the following in addition to the Standard Requirements above:
    - Breach of Warranty in favor of USAlliance Federal Credit Union covering the loan amount.
    - Trip endorsement or appropriate Navigational Limits that align with the float plan.
    - War-risk coverage/endorsement.
    - Name of Captain and number of crew.