



**FILED**

OCT 15 2003

**OFFICE OF INSURANCE REGULATION**

OFFICE OF  
INSURANCE REGULATION  
Docketed by:                     

**KEVIN M. McCARTY**  
DIRECTOR

**IN THE MATTER OF:**

**CASE No.: 70640-03-CO**

**INTERNATIONAL WATER SAFETY FOUNDATION  
a/k/a INTERNATIONAL WATER MARINE SAFETY FOUNDATION  
a/k/a INTERNATIONAL MARINE SAFETY FOUNDATION**

**WATER SAFETY SERVICES**

**NORTH AMERICAN MARINE GENERAL INSURANCE CO., LTD.**

**GERARD BEAUDOIN**

**LEONARD LOCASTRO, III (Lic. Agent #A157125)**

**LEONARD LOCASTRO, IV (Lic. Agent #A308306)**

**LOCASTRO INSURANCE SERVICES, INC.**

**STACEY DENISE WOOD  
a/k/a STACEY WOOD**

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**IMMEDIATE FINAL ORDER**

**TO:**

**INTERNATIONAL WATER SAFETY FOUNDATION (IWSF)  
a/k/a INTERNATIONAL WATER MARINE SAFETY FOUNDATION (IWMSF)  
a/k/a INTERNATIONAL MARINE SAFETY FOUNDATION (IMSF)  
905 Michele-Bohec Blvd., Suite 204  
Blainville, Province of Quebec  
Canada J7C-5J6**

Additional address:

Helena House, The Esplanade, Sandgate, Kent.  
CT20 3DX, England

WATER SAFETY SERVICES  
905 Michele-Bohec Blvd., Suite 204  
Blainville, Province of Quebec  
Canada J7C-5J6

NORTH AMERICAN MARINE GENERAL INSURANCE CO. LTD.  
P.O. Box 6 - 1097, El Dorado  
Panama, Republic of Panama

GERARD BEAUDOIN, Director of IWSF, a/k/a IWMSF and IMSF  
905 Michele-Bohec Blvd., Suite 204  
Blainville, Province of Quebec  
Canada J7C-5J6

LEONARD LOCASTRO, III  
LoCastro Insurance Services, Inc.  
100 Venice Ave. W., Suite K  
Venice, Florida 34285

LEONARD LOCASTRO, IV  
LoCastro Insurance Services, Inc.  
100 Venice Ave. W., Suite K  
Venice, Florida 34285

LOCASTRO INSURANCE SERVICES, INC.  
100 Venice Ave. W., Suite K  
Venice, Florida 34285

STACEY DENISE WOOD, a/k/a. STACEY WOOD  
LoCastro Insurance Services, Inc.  
100 Venice Ave. W., Suite K  
Venice, Florida 34285

YOU ARE HEREBY NOTIFIED that pursuant to the Florida Insurance Code, including Sections 624.307, 624.317, 624.401, 626.901, and 626.909 of the Florida Statutes, the State of Florida, Office of Insurance Regulation (hereinafter referred to as the "OFFICE") has caused an investigation to be made of the insurance-related activities of INTERNATIONAL WATER SAFETY FOUNDATION, (a/k/a INTERNATIONAL WATER MARINE SAFETY

FOUNDATION a/k/a INTERNATIONAL MARINE SAFETY FOUNDATION), NORTH AMERICAN MARINE GENERAL INSURANCE CO., LTD., WATER SAFETY SERVICES, LEONARD LOCASTRO, III, LEONARD LOCASTRO, IV, LOCASTRO INSURANCE SERVICES, INC., STACEY DENISE WOOD and GERARD BEAUDOIN.

INTERNATIONAL WATER SAFETY FOUNDATION, a/k/a INTERNATIONAL WATER MARINE SAFETY FOUNDATION a/k/a INTERNATIONAL MARINE SAFETY FOUNDATION, will hereafter be referred to as, "IWSF".

References to the "department" in relevant portions of the Florida Insurance Code also refer to the OFFICE, pursuant to Chapters No. 2002-404 and 2003-261, Laws of Florida (2003) and Section 20.121, Florida Statutes.

As a result of its investigation, the OFFICE, finds:

1. Section 120.569(2)(n), Florida Statutes, provides that "if an agency head finds that an immediate danger to the public health, safety or welfare requires an immediate final order, it shall recite with particularity the facts underlying such finding in the final order..."
2. This Immediate Final Order is being issued pursuant to Section 120.569(2)(n), Florida Statutes, because the facts as stated herein demonstrate that there is an immediate threat to the public health, safety and welfare, including personal monetary losses. Furthermore, the issuance of cease and desist orders by several states against IWSF, GERARD BEAUDOIN and NORTH AMERICAN MARINE GENERAL INSURANCE CO., LTD., demonstrate a continuing pattern of conduct that must be stopped in order to prevent further harm to the public.
3. NORTH AMERICAN MARINE GENERAL INSURANCE CO., LTD., (hereinafter referred to as "NORTH AMERICAN") has not procured a certificate of authority permitting it to sell insurance in the state of Florida. NORTH AMERICAN is unlicensed and

unauthorized to transact insurance in Florida as an insurer or in any other capacity. NORTH AMERICAN has never held a license or certificate of authority to transact insurance in Florida as an insurer or in any other capacity. NORTH AMERICAN has never been qualified as an eligible surplus lines insurer in Florida, pursuant to Sections 626.913 -626.937, Florida Statutes. See attached Exhibit A.

4. NORTH AMERICAN is an "alien insurance company" domiciled in the Republic of Panama. NORTH AMERICAN's principal mailing address is P.O. Box 6 - 1097 El Dorado, Panama City, Republic of Panama. See attached Exhibit T.

5. NORTH AMERICAN, an unlicensed and unauthorized insurer, through IWSF, solicited Florida consumers to purchase insurance from NORTH AMERICAN affecting subjects located in Florida and to be performed in Florida.

6. INTERNATIONAL WATER SAFETY FOUNDATION ("IWSF") is a membership organization with headquarters in London, England and with its North American Division located in Quebec, Canada. GERARD BEAUDOIN is the Director of IWSF, a/k/a IWMSF and IMSF. IWSF claims to hold a group policy with NORTH AMERICAN. IWSF offers various benefits and services to its membership, including insurance through NORTH AMERICAN under IWSF's group policy. IWSF and GERARD BEAUDOIN are in violation of Section 626.901, Florida Statutes, which states that it is unlawful for any person to directly or indirectly aid or represent an unauthorized insurer. See attached Exhibit B.

7. IWSF is acting as an agent for NORTH AMERICAN by soliciting Florida consumers on behalf of NORTH AMERICAN. IWSF does not hold a license to act as an insurance agent in Florida nor is it authorized to engage in the business of insurance by any other authority. IWSF is in violation of Section 626.901, Florida Statutes (representing an

unauthorized insurer) and Section 626.112, Florida Statutes, (acting as an insurance agent without a license). See attached **Exhibit C**.

8. IWSF is offering to Florida consumers who become members of its organization, insurance coverage for personal watercraft, including jet skis, pleasure craft, sailboats, hovercraft, airboats, rentals, and owner operated commercial charters. The insurance coverage goes beyond coverage of the watercraft and includes liability, medical payments, uninsured boat coverage and towing coverage. IWSF uses its website at <http://www.iwsf.us>, and Florida insurance agents, to solicit members and offer insurance products. See attached **Exhibit D**.

9. WATER SAFETY SERVICES, located at the same address as IWSF, acts as the claims administrator by gathering and processing information from the insurance contract holders in order to adjust or settle the claims they may have under the NORTH AMERICAN insurance contract. WATER SAFETY SERVICES administered at least one such claim (claim number NA-1344) filed by Captain Alex Crawford of Apalachicola, Florida. See attached **Exhibit E**.

10. WATER SAFETY SERVICES is in violation of Section 626.901, Florida Statutes, for aiding NORTH AMERICAN, an unauthorized insurer.

11. In February of 2003, IWSF submitted a quote for watercraft insurance to South Side Jet Ski, LLC., of Port Orange, Florida. South Side Jet Ski, LLC., rents wave runners. See attached **Exhibit F**.

12. IWSF faxed a certificate or binder and endorsement to South Side Jet Ski, LLC., in March of 2003. The coverage period is from March 14, 2003 through March 14, 2004. The amount in premiums paid for the coverage totaled \$3,340.00. See attached **Exhibit G**.

13. IWSF sold South Side Jet Ski, LLC, an insurance policy purporting to be under the Group Wet Ocean Marine Master Policy of NORTH AMERICAN. The policy for the watercraft insured by IWSF included five Yamaha XL 700 wave runners valued at \$5,000.00 each, insured for a value of \$25,000.00 and liability insurance in the amount of \$300,000.00 per person and \$1,000,000.00 per accident. See also attached Exhibit G.

14. IWSF issued an insurance binder and a certificate of insurance to Mr. S. Richardson of Lutz, Florida, for his watercraft, for the coverage period January 25, 2003 through January 25, 2004. The amount in premiums paid for the coverage totaled \$680.00. See attached Exhibit H.

15. Mr. Richardson's coverage is underwritten by NORTH AMERICAN through IWSF's Group Wet Ocean Marine Master Policy. NORTH AMERICAN and IWSF entered into a contract of insurance with Mr. Richardson to insure his boat in the amount of \$24,500.00, his trailer in the amount of \$4,500.00, towing in the amount of \$500.00, medical payments in the amount of \$1,000.00, and liability in the amount of \$100,000.00 per accident. See same attached Exhibit H.

16. IWSF issued an insurance binder and a certificate of coverage to Mr. B. King, owner of Island Jet Ski Rental, in Englewood, Florida, for liability insurance underwritten by NORTH AMERICAN, in the amount of one million dollars (\$1,000,000.00) per accident, related to his jet ski rental business, for the coverage period October 3, 2002 through October 3, 2003. Island Jet Ski Rental's membership fee was \$25.00. See attached Exhibit I.

17. Mr. King, by affidavit attached to this order, has stated that he has paid two premium installments and a deposit of \$833.33 to International Water Safety Foundation (IWSF)

for a total amount paid of \$1,666.68 of the \$2,500.00 premium due. See attached affidavit, **Exhibit J.**

18. Mr. King secured the insurance, underwritten by NORTH AMERICAN, through the direct efforts of two licensed Florida insurance agents, Leonard LoCastro, III, and Leonard LoCastro, IV, as well as licensed representative, Stacey Denise Wood, a/k/a, Stacey Wood, of LoCastro Insurance Services, Inc., in Venice, Florida. See attached **Exhibit K**

19. Leonard LoCastro III is a licensed general lines, health, and life insurance agent in Florida. Leonard LoCastro, III, agent #A157125, received a recruiter fee from International Water Marine Safety Foundation, a/k/a IWSF, in the amount of \$187.50 for signing up Island Jet Ski Rental, which paid only \$25 for its membership fee. Leonard LoCastro, III, Leonard LoCastro, IV, and LoCastro Insurance Services, Inc., violated Section 626.901, Florida Statutes, by aiding an unauthorized insurer to solicit insurance business. Leonard LoCastro, III, and Leonard LoCastro, IV are officers of LoCastro Insurance Services, Inc. See copy of check and correspondence from LoCastro Insurance Services to IWSF, attached **Exhibit K.**

20. From 1998 through 2003, several states have issued cease and desist orders against IWSF, NORTH AMERICAN, GERARD BEAUDOIN, and others, for engaging in unlicensed insurance activity. The issuance of these orders over the past 6 years demonstrates that IWSF's and NORTH AMERICAN's conduct is likely to continue.

21. On or about August 31, 1998, the Office of the Insurance Commissioner of the State of Washington issued an Order to Cease and Desist against International Marine Safety Foundation of Quebec, Canada. The Cease and Desist Order stated that International Marine Safety Foundation has solicited one or more persons in Washington to purchase insurance with

NORTH AMERICAN and that NORTH AMERICAN is not authorized to transact insurance in Washington. See attached Exhibit L.

22. On or about April 1, 2002, the Iowa Insurance Division issued an order to cease and desist to International Marine Water Safety Foundation, a/k/a International Marine Safety Foundation, for participating in the operation of an unauthorized insurer in the State of Iowa. A default order was subsequently issued against International Marine Water Safety Foundation a/k/a International Marine Safety Foundation, along with the assessment of an administrative penalty of \$50,000.00, on May 1, 2002. See attached Exhibit M.

23. On or about October 18, 2002, the Oregon Insurance Division issued an order to cease and desist to International Water Marine Safety Foundation, for transacting insurance as an agent without a license and transacting insurance as an agent for the unauthorized insurer, NORTH AMERICAN. See attached Exhibit N.

24. On or about September 1, 2000, the Texas Commissioner of Insurance, issued an order to cease and desist to NORTH AMERICAN MARINE GENERAL INSURANCE CO., LTD. of the Republic of Panama. NORTH AMERICAN was ordered to immediately cease from conducting any insurance related activity in Texas, including soliciting unauthorized insurance products and to pay a penalty of \$200,000.00 to the State of Texas. See attached Exhibit O.

25. On September 8, 2000, the Texas Commissioner of Insurance, issued an order to cease and desist to International Marine Safety Foundation. International Marine Safety Foundation was ordered to immediately cease from conducting any insurance related activity in Texas, including soliciting unauthorized insurance products, making false representations about insurance and to pay a penalty of \$500,000.00 to the State of Texas. See attached Exhibit P

26. International Marine Safety Foundation, a/k/a International Water Marine Safety Foundation, continued to engage in the unauthorized transaction of insurance in Texas, prompting the Texas Commissioner of Insurance to issue another cease and desist order in March of 2002, with an administrative penalty of one million dollars (\$1,000,000.00). See attached Exhibit Q.

27. Texas judge, Patrick O. Keel, issued a permanent injunction against International Marine Safety Foundation, also known as International Water Marine Safety Foundation or International Water Safety Foundation, at the request of the Texas Department of Insurance and the Office of the Attorney General. The injunction named the foundation's top officers, Gerard Beaudoin, Gregory Quail and Andrew Evans. See attached Exhibit R.

28. On June 4, 2003, the Ohio Department of Insurance, issued an order to cease and desist to NORTH AMERICAN MARINE GENERAL INSURANCE CO., LTD. of the Republic of Panama, and International Water Marine Safety Foundation. NORTH AMERICAN and International Water Marine Safety Foundation were ordered to immediately cease from conducting any insurance related activity in Ohio that requires a license. See attached Exhibit S.

29. Despite the absence of any certificate of authority or any other authorization to transact insurance business in Florida or act as an insurer pursuant to Section 624.401, Florida Statutes, INTERNATIONAL WATER SAFETY FOUNDATION, a/k/a INTERNATIONAL WATER MARINE SAFETY FOUNDATION a/k/a INTERNATIONAL MARINE SAFETY FOUNDATION, NORTH AMERICAN MARINE GENERAL INSURANCE CO., LTD., WATER SAFETY SERVICES, LEONARD LOCASTRO, III, LEONARD LOCASTRO, IV, LOCASTRO INSURANCE SERVICES, INC., STACEY DENISE WOOD and GERARD BEAUDOIN have engaged and currently engage in the unlicensed, unauthorized, and therefore,

illegal business of insurance covering subjects of insurance located or expressly to be performed in this state at the time of issuance, in violation of the Florida Insurance Code including, Sections 624.401, 626.112 and 626.901, Florida Statutes.

30. INTERNATIONAL WATER SAFETY FOUNDATION, a/k/a INTERNATIONAL WATER MARINE SAFETY FOUNDATION a/k/a INTERNATIONAL MARINE SAFETY FOUNDATION, NORTH AMERICAN MARINE GENERAL INSURANCE CO., LTD., WATER SAFETY SERVICES, LEONARD LOCASTRO, III, LEONARD LOCASTRO, IV, LOCASTRO INSURANCE SERVICES, INC., STACEY DENISE WOOD and, GERARD BEAUDOIN have engaged in the business of insurance in Florida without the benefit of legal authority to do so, thereby creating immediate danger, and/or causing or reasonably expecting to cause significant, imminent, and irreparable injury, to the public.

31. Section 624.401(4), Florida Statutes, states that it is a felony of the third degree for any person to act as an insurer, transact insurance, or otherwise engage in insurance activities in this state without a certificate of authority. In accordance with Section 626.902, Florida Statutes, it is also a third degree felony to aid or represent an unauthorized insurer. INTERNATIONAL WATER SAFETY FOUNDATION, a/k/a INTERNATIONAL WATER MARINE SAFETY FOUNDATION a/k/a INTERNATIONAL MARINE SAFETY FOUNDATION, WATER SAFETY SERVICES, LEONARD LOCASTRO, III, LEONARD LOCASTRO, IV, LOCASTRO INSURANCE SERVICES, INC., STACEY DENISE WOOD and GERARD BEAUDOIN have aided and represented NORTH AMERICAN MARINE GENERAL INSURANCE CO., LTD violation of Section 626.901, Florida Statutes.

32. INTERNATIONAL WATER SAFETY FOUNDATION, a/k/a INTERNATIONAL WATER MARINE SAFETY FOUNDATION a/k/a INTERNATIONAL MARINE SAFETY FOUNDATION, NORTH AMERICAN MARINE GENERAL INSURANCE CO., LTD., WATER SAFETY SERVICES, LEONARD LOCASTRO, III, LEONARD LOCASTRO, IV, LOCASTRO INSURANCE SERVICES, INC., STACEY DENISE WOOD and GERARD BEAUDOIN are engaging in the business of insurance by soliciting insurance contracts and business in this state on behalf of NORTH AMERICAN MARINE GENERAL INSURANCE CO., LTD, an unauthorized insurer, in violation of Section 626.901, Florida Statutes.

33. Neither IWSF, nor any of the other entities or persons named in this Immediate Final Order are subject to any exception State or Federal, to the requirements of the Florida Insurance Code, including exceptions outlined in Section 624.402 of the Florida Statutes, nor the Surplus Lines Law, Sections 626.913 – 626.937, Florida Statutes.

34. The unlicensed, unauthorized, and therefore illegal, transaction of insurance by INTERNATIONAL WATER SAFETY FOUNDATION, a/k/a INTERNATIONAL WATER MARINE SAFETY FOUNDATION a/k/a INTERNATIONAL MARINE SAFETY FOUNDATION, NORTH AMERICAN MARINE GENERAL INSURANCE CO., LTD., WATER SAFETY SERVICES, LEONARD LOCASTRO, III, LEONARD LOCASTRO, IV, LOCASTRO INSURANCE SERVICES, INC., STACEY DENISE WOOD and, GERARD BEAUDOIN, presents an immediate danger to the public health, safety or welfare of Florida residents. The issuance and enforcement of this Order is necessary to protect the public and the only way to avoid future harm. If this Immediate Final Order is not entered, the International Water Safety Foundation will continue to sell insurance and collect premium from Florida small businesses and others who believe that they are purchasing insurance from the NORTH

AMERICAN MARINE GENERAL INSURANCE COMPANY, LTD., an entity that is unlicensed, unregulated, and may not be able to pay legitimate claims. A licensed company must demonstrate that it has sufficient capital and surplus from which to pay claims, and must follow the consumer-protection provisions of the Insurance Code. In addition, where a licensed insurance company fails or its owners use assets for purposes other than payment of claims, there is a safety net in place in the form of a guaranty association from which legitimate claims are paid. In this case, IWSF and NORTH AMERICAN are unlicensed, and are not organized insurance companies that have demonstrated to regulators that they possess sufficient capital and surplus or sufficient character and experience in management. Yet they are selling liability coverage to small businesses who rent jet skis on Florida beaches, a business that certainly carries some risk for its customers and to other visitors who may be injured by the jet ski equipment in the event of an accident. If a customer or other person were seriously injured on one of the "insured" jet skis, the small business owner as well as the injured customer or bystander may find out that the NORTH AMERICAN MARINE GENERAL INSURANCE COMPANY, LTD., is unable to pay the medical bills and other claims or does not pay the claims. Little resource will be available at that point because NORTH AMERICAN is not licensed, is not a member of a guaranty association, and unlike a case where there is a legitimate insurance company, no "safety net" is in place to protect customers of an unauthorized entity in the event of its failure to pay claims.

WHEREFORE, pursuant to the Florida Insurance Code and other applicable statutes, including, Section 120.569(2)(n), Florida Statutes, the OFFICE finds that the continued transaction of insurance without licensure by INTERNATIONAL WATER SAFETY FOUNDATION, a/k/a INTERNATIONAL WATER MARINE SAFETY FOUNDATION a/k/a

INTERNATIONAL MARINE SAFETY FOUNDATION, NORTH AMERICAN MARINE GENERAL INSURANCE CO., LTD., WATER SAFETY SERVICES, LEONARD LOCASTRO, III, LEONARD LOCASTRO, IV, LOCASTRO INSURANCE SERVICES, INC., STACEY DENISE WOOD and GERARD BEAUDOIN, constitute an immediate danger to the public welfare so as to require the issuance of this Immediate Final Order.

Accordingly, IT IS HEREBY ORDERED:

A. INTERNATIONAL WATER SAFETY FOUNDATION, a/k/a INTERNATIONAL WATER MARINE SAFETY FOUNDATION a/k/a INTERNATIONAL MARINE SAFETY FOUNDATION, NORTH AMERICAN MARINE GENERAL INSURANCE CO., LTD., WATER SAFETY SERVICES, LEONARD LOCASTRO, III, LEONARD LOCASTRO, IV, LOCASTRO INSURANCE SERVICES, INC., STACEY DENISE WOOD and GERARD BEAUDOIN, whether acting in the State of Florida as an insurer, a purchasing group, retention group, an insurance agent, an insurance agency, a representative, an insurance adjuster, a third-party administrator, a managing general agent, or otherwise engaging in the business of insurance, either directly or indirectly through named and unnamed persons, entities, agents, or otherwise, shall forthwith **CEASE AND DESIST** from the transaction of any new or renewal insurance business with NORTH AMERICAN MARINE GENERAL INSURANCE CO., LTD. NORTH AMERICAN MARINE GENERAL INSURANCE CO., LTD., shall forthwith **CEASE AND DESIST** from acting or holding itself out to be an insurer in this state, transacting any new or renewal insurance business in this state, and from collecting any premiums from Florida insureds. Respondents, INTERNATIONAL WATER SAFETY FOUNDATION, a/k/a INTERNATIONAL WATER MARINE SAFETY FOUNDATION a/k/a INTERNATIONAL MARINE SAFETY FOUNDATION, WATER

SAFETY SERVICES, LEONARD LOCASTRO, III, LEONARD LOCASTRO, IV, STACEY DENISE WOOD and GERARD BEAUDOIN shall CEASE AND DESIST from the collection of any and all premiums, the transaction of any new, current or renewal insurance business with NORTH AMERICAN MARINE GENERAL INSURANCE CO., LTD, whether under IWSF's group policy or otherwise.

B. INTERNATIONAL WATER SAFETY FOUNDATION, a/k/a INTERNATIONAL WATER MARINE SAFETY FOUNDATION a/k/a INTERNATIONAL MARINE SAFETY FOUNDATION, NORTH AMERICAN MARINE GENERAL INSURANCE CO., LTD., WATER SAFETY SERVICES, LEONARD LOCASTRO, III, LEONARD LOCASTRO, IV, LOCASTRO INSURANCE SERVICES, INC., STACEY DENISE WOOD and GERARD BEAUDOIN shall forthwith notify, within five (5) days, in writing, each and every policyholder agent, broker, salesperson, and other marketing outlet of the cessation of their Florida insurance business and activities, because they are unlicensed, and shall also inform such persons and entities that no further applications will be accepted nor contracts issued. All parties subject to this Order shall within fifteen (15) days of this Order, file with the OFFICE, the sworn attestations of each officer, director, general partner, member, and limited partner that there has been full compliance with this provision, along with a copy (paper or on computer disk) of all notices mailed.

C. INTERNATIONAL WATER SAFETY FOUNDATION, a/k/a INTERNATIONAL WATER MARINE SAFETY FOUNDATION a/k/a INTERNATIONAL MARINE SAFETY FOUNDATION, NORTH AMERICAN MARINE GENERAL INSURANCE CO., LTD., WATER SAFETY SERVICES, LEONARD LOCASTRO, III, LEONARD LOCASTRO, IV, LOCASTRO INSURANCE SERVICES, INC., STACEY

DENISE WOOD and GERARD BEAUDOIN shall, within fifteen (15) calendar days from the date hereof, deliver to the OFFICE a full and complete accounting of all premiums billed, unpaid claims and paid claims, since the inception of its operation in Florida; copies of all relevant contracts and documents relating to the insurance coverage provided and a list of all persons or entities used to solicit the business in Florida and a list of all Florida insureds.

D. Subject to the other mandates of this Immediate Final Order, NORTH AMERICAN MARINE GENERAL INSURANCE CO., LTD., and IWSF, shall continue to be responsible for the defense and payment of claims, and otherwise for the timely fulfillment of its contractual obligations to each person or entity insured until all Florida claims have been paid or until further action or order of the OFFICE to the contrary. For the protection of the public, and to preserve books, records and assets of INTERNATIONAL WATER SAFETY FOUNDATION, a/k/a INTERNATIONAL WATER MARINE SAFETY FOUNDATION a/k/a INTERNATIONAL MARINE SAFETY FOUNDATION, NORTH AMERICAN MARINE GENERAL INSURANCE CO., LTD., WATER SAFETY SERVICES, LEONARD LOCASTRO, III, LEONARD LOCASTRO, IV, LOCASTRO INSURANCE SERVICES, INC., STACEY DENISE WOOD and GERARD BEAUDOIN shall NOT take or permit any action that might waste, conceal or otherwise dispose of the assets, property, books, records, and accounts related to its insurance business with NORTH AMERICAN MARINE GENERAL INSURANCE CO., LTD.

E. The entry of this Immediate Final Order, or any amendment thereto, shall not be interpreted as having, nor shall it have, the effect of abrogating any statutory, common law, or contractual rights of any person or entity insured by or who or which may be a third-party beneficiary of, coverage under any policy, contract, or certificate of coverage, nor of any person

or entity that has relied upon the existence of a policy, contract, or certificate of coverage with NORTH AMERICAN MARINE GENERAL INSURANCE CO., LTD., in granting or allowing any right, privilege, or chose in action.

F. The issuance of this Immediate Final Order and the procedural safeguards set forth herein are concluded to be fair under the circumstances due to the potential grave harm resulting from unauthorized insurance entities engaging in the business of insurance in Florida. As indicated in the Notice of Rights herein, INTERNATIONAL WATER SAFETY FOUNDATION, a/k/a INTERNATIONAL WATER MARINE SAFETY FOUNDATION a/k/a INTERNATIONAL MARINE SAFETY FOUNDATION, NORTH AMERICAN MARINE GENERAL INSURANCE CO., LTD., WATER SAFETY SERVICES, LEONARD LOCASTRO, III, LEONARD LOCASTRO, IV, LOCASTRO INSURANCE SERVICES, INC., STACEY DENISE WOOD and GERARD BEAUDOIN are afforded the opportunity to appeal this Order or to enjoin this Order pursuant to Section 120.569 (2)(n), Florida Statutes.

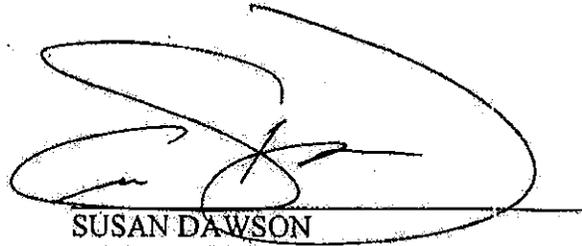
DONE AND ORDERED this 15<sup>th</sup> day of October, 2003.



  
\_\_\_\_\_  
KEVIN M. MCCARTY  
Director of the Office of Insurance Regulation

**NOTICE OF RIGHTS**

Any party to these proceedings adversely affected by this Order is entitled to seek review of this Order pursuant to Section 120.68, Florida Statutes, and Rule 9.110, Fla.R.App.P. Review proceedings must be instituted by filing a petition or notice of appeal with the General Counsel of the Office of Insurance Regulation, acting as the Agency Clerk, at 612 Larson Building, Tallahassee, Florida 32399-4206, and a copy of the same with the appropriate district court of appeal, within thirty (30) days of rendition of this Order.



SUSAN DAWSON

FBN: 0076848

Office of Insurance Regulation

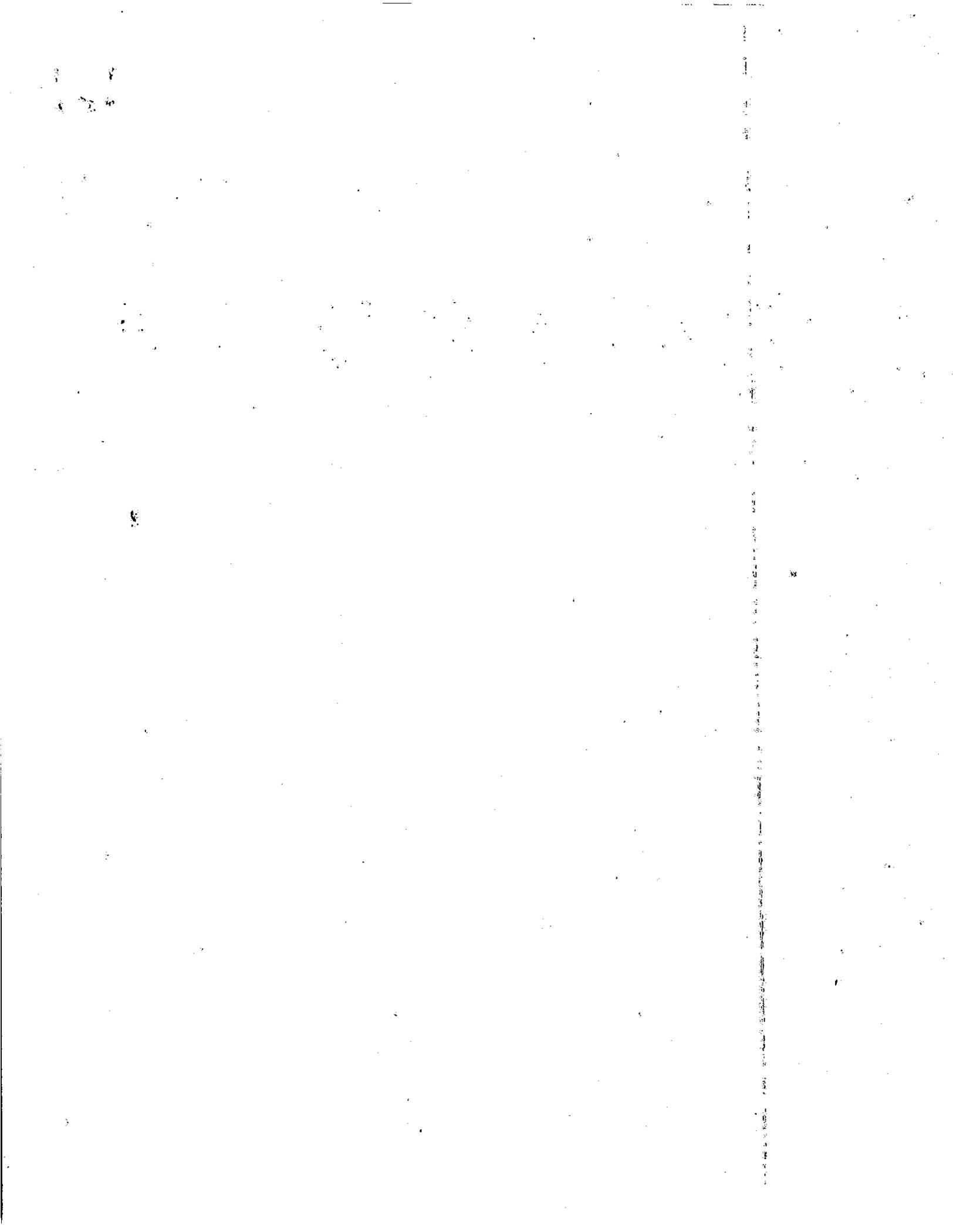
Division of Legal Services

200 East Gaines Street, 6<sup>th</sup> Floor

Tallahassee, Florida 32399

Telephone: 850/413-4116

Facsimile: 850/922-2543



# State of Florida



## OFFICE OF INSURANCE REGULATION Tallahassee, Florida

I, the undersigned, Director of the Office of Insurance Regulation of the State of Florida, do hereby certify that

Dated this 30th day of June, 2003

After conducting a diligent search of the official records of the FLORIDA OFFICE OF INSURANCE REGULATION, no record exists which discloses that the following company or individual currently holds, or has ever held, a CERTIFICATE OF AUTHORITY from the Department authorizing the company or individual to transact insurance as an insurer in any capacity, including that of a Third Party Administrator:

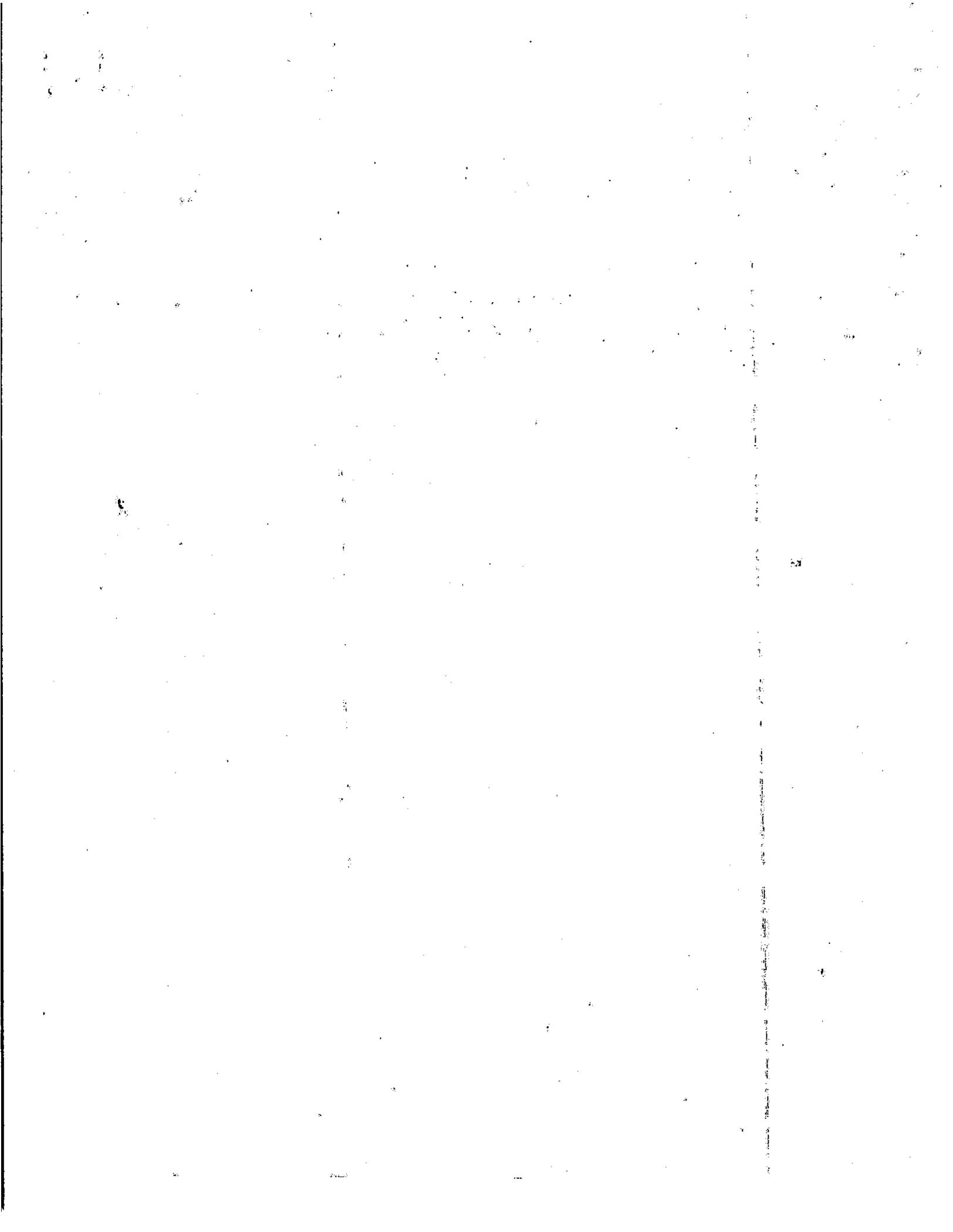
**North American Marine General Insurance Co. Ltd.**



IN TESTIMONY WHEREOF, I hereto  
subscribe my name, and affix the Seal of  
my Office, at Tallahassee, the day and year  
first above written.

A handwritten signature in black ink, appearing to read "K. M. ...".

Director, Office of Insurance Regulation





## International Water Safety Foundation

### OUR MISSION

The **INTERNATIONAL WATER SAFETY FOUNDATION** is first and foremost a non profit membership organization with over 60,000 members in the United States and is devoted to promoting watercraft and snow-craft safety for all water and snow related recreational activities. In doing so, the Foundation offers its members advantages in the form of benefits and services as described in this pamphlet included in this package for your review.

At the turn of the millennium, boating and snowmobiling has never been so popular in America! This has lead to a drastic increase in accidents, which translates in higher insurance rates for small boat and snow-craft owners. At the **INTERNATIONAL WATER SAFETY FOUNDATION**, we believe in preventing some unnecessary accidents by increasing everybody's knowledge and awareness of watercraft and snow-craft safety and waterways and trails regulations.

The Foundation works with the National Boating Federation, and in the promotion of boat safety and safe waterways everywhere. The Marine Video Safety Program, sponsored by the IWSF, is directed at all boat owners and is designed to increase everyone's knowledge of safe boating practices.

To achieve these goals, we strongly believe that dealers, insurance agents, marinas and recreational organizations are strategically positioned to transmit this information.

**Have a great and safe season!**

**For any queries, call or fax us toll  
free at: Telephone 1-888-346-4673**

**Fax 1-888-346-4674**

The IWSF STANDARD MEMBERSHIP Includes  
all of the Following  
Benefits & Services:

#### Official Representation In The US

To keep waterways safe and secure, we offer representation in Washington through the NATIONAL BOATING FEDERATION

#### Safety Material & Events

- ✓ Hurricane Damage Avoidance
- ✓ Watercraft & Snowcraft Safety Brochures
- ✓ Safety decals
- ✓ Marine Safety Video
- ✓ Watercraft & Snowcraft safety course information
- ✓ Maptouch Digital Marine Chart Services
- ✓ Weather forecasts & Warnings
- ✓ Safety events broadcast

#### Travel Services

- ✓ Free towing
- ✓ \$500.00 per year for watercrafts
- ✓ \$100.00 per year for snowcrafts
- ✓ Hotelguide: as much as 50% discount in over 60,000 hotels worldwide
- ✓ Car rental discounts with AVIS, HERTZ, THRIFTY and BUDGET
- ✓ Cruise and travel tip information

#### Insurance Benefit Program

Members are eligible to receive insurance benefit coverage under the IWSF Group Wet Ocean Marine Master Policy and Group Snowcraft Policy if they qualify and pay the required premium.

- ✓ Immediate insurance information, quotations and/or coverage
- ✓ Referral Discounts on Insurance Benefit coverage

#### Endorsed IWSF Marine Surveyors

The IWSF endorses and refers marine surveyors from renowned firms.

#### Arbitration

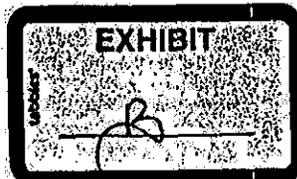
Immediate access to the services of the Insurance Arbitration Bureau International in case of litigation

- ✓ First \$500.00 arbitration fees covered by IWSF

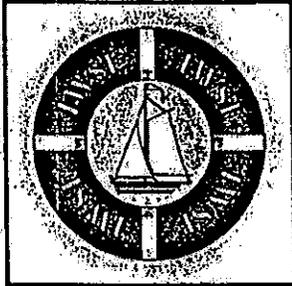
#### Future Services

- Marine video & Magazine discounts
- Restaurant chain discounts
- Frequent flyer miles reward
- Monthly newsletter
- Marine safety products discounts

**"Always Remember: Safety Is No Accident!"**



# International Water Safety Foundation



**Always Remember :**  
«Safety Is No Accident!»

#### North American Office / Mailing Address

905 Michele-Bohec Blvd., Suite 204

Blainville (Quebec) Canada, J7C 5J6

Tel.: 1-888-346-4673

Fax: 1-888-346-4674

[www.iwsf.us](http://www.iwsf.us)

Helena House, The Esplanade  
Sandgate, Kent  
CT20 3DX, England



International  
Water Safety  
Foundation

# The IWSF Guide to Watercraft Safety

Half the fun  
is getting there,  
**COMING BACK  
IS A MUST.**

[www.iwsf.us](http://www.iwsf.us)



Boating safety begins with a complete understanding of the capabilities of the particular craft. All boat owners and their families should take a boat handling and safety course. Never go out in a boat unless there is someone on board who knows how to handle it; this applies to all crafts, from rowboats to sailboats and motorboats. Boaters should keep several key things in mind, such as:

### Tips for a Safe Summer

- Choose it. Use it. Wear your lifejacket.
- Don't drink and drive... your boat. The same rules for drinking and driving your car apply to your boat.
- If you're not within arms' reach, you've gone too far. Closely supervise your children near water.
- Protect your neck. Diving into shallow water can shatter lives.
- Drive your boat responsibly.
- Keep low to avoid capsizing or falling overboard.



### Life Jacket

Boater should carry life jackets for everyone on board, and all of them should fit appropriately. Children sleeping on a boat should wear one to bed. Make sure they are in good condition and easily accessible, never keep them locked up while you are on board. Many life jackets come with pockets. Equip them with a flare and mirror for signalling, as well as a whistle, which can be heard more easily across water than the voice. Attach reflective tape to their back.



### Sobriety

Drinking alcoholic beverages while boating can impair judgment. Even in small amounts it will affect your balance, coordination and judgement. The effects of alcohol can be exacerbated by the motion, noise and vibration of the boat, as well as dehydration from being in the sun. You not only endanger your life, but those of your passengers and other boaters. For all these reasons, avoid alcoholic beverages while boating and drink plenty of water instead.



### Nautical Rules of the Road

Many boaters take to the water with no understanding of the boating basic rules of the waterway. Here are a few of the most important guidelines:

- Speed is limited to 5 mph when you are within 100 feet of the shore, a dock, pier, raft, float or anchored boat.
- Reduce speed when passing marina, people fishing, sailboats, canoes, etc.
- When meeting, boats should pass port to port (left side to left side) just like cars meeting on highways.

- A board being passed by another boat has the right of way.
- The passing boat is the burdened vessel, meaning it is obligated to stay clear.
- In a crossing situation, the boat with the other boat on its right front quadrant (12 to 3 on the clock dial) is the burdened vessel.
- In general, boats whose ability to maneuver is restricted, sailboat not under motor power or tugboat towing another vessel, have the right of way.



### Weather

Before leaving port always be aware of weather conditions and be alert to sudden afternoon thunderstorms. Plan your boating trips accordingly.

### Planning

Plan your trip carefully. Take extra water, food and fuel, if appropriate. Use the 1/3 rule. After 1/3 of your fuel is used, return to port. This provides about 1/3 for emergencies. Let someone on shore know where you are taking off from; where you expect to travel and how long you expect to be gone. Give yourself plenty of time get to your destination. Be prepared to stop and rest on your return trip. A hard day of boating can make you extremely tired.

### Running Aground

If you ever find yourself aground and wonder how to get off, one method is kedging. Kedging is accomplished by setting an anchor back in the direction where you wish to move and pulling yourself off with the anchor line. Of course this works best if you wrap the line around a winch and winch to yourself off. Setting the anchor is easy if you have a dinghy, however, if none is available and conditions permit (and only as a last resort) a good swimmer wearing a PFD can take the anchor out resting on another PFD or anything that floats. When he is out as far as the anchor rope will allow, let go the anchor and bring the float back. Always have the swimmer do this wearing a PFD so he does not get fatigued.

If another boat is available to help, run a line to that boat. Be very careful that the other boat does not become stranded in the same shallow water. It may be necessary for the other boat to put an anchor to keep her clear. Be sure that both boats can withstand the strain of the pull. If a pull is made, keep all persons away from the line and beyond the ends of the line in both directions. Various types of lines stretch to different degrees, but all stretch enough to act as slingshots if they break or if fittings pull out. Serious injury, or even death, are possible results of such failures.



## Reading the Water

- Dark blue tones mean deep water, 20 fathoms or more. The blue becomes lighter with decreasing depth, and the turquoise (green-blue) is a warning of shoaling. It is the color of the coral sand covering a flat expanse of reef with 4 - 6 feet of water coverage.
- Dark brown indicates coral heads.
- Brown or yellow indicates reefs with a depth of 3 or 4 feet over them.
- Green-brown means a grassy bottom.
- White means very shallow water.



## Reduced Visibility

Fog is the primary cause of reduced visibility, but haze, heavy rain and snow also present problems for mariners. Boating in these conditions presents two hazards, navigational errors and collisions. Begin with reducing your speed. The old saying, "Be able to stop in half the distance of visibility" is a very good advise. Remember: slower is better!

Ensure all running lights are functioning properly. When visibility is between 30 and 150 yards, objects, including other boats, may seem larger than they appear. The illusion also tends to make you think that they are approaching at a much faster rate than they actually are.

### Steering a straight line without a compass

Many small recreational boat owners will find themselves steering in fog without a compass. With no compass and with no reference points because of limited visibility, even the best ones will tend to steer in circles. To steer a straight course, attach a light line high on the bow or from the mast and drag a cushion, or anything that can create resistance over the stern. Keep the line centered where it passes over the stern and you will steer a straight line.



### Actions to take in fog

If you see a fog bank approaching or fog starting to form be sure to fix your position by any and all means necessary, including electronically or by bearings. If possible, anchor and wait out the fog in an area which is too shallow to allow large ships in. Don't forget to ring your bell for 5 seconds every minute while at anchor. Post lookouts onboard and listen intently for the sounds of other vessels. If you hear a vessel approaching, sound the optional one short - one prolonged - one short blast to notify them of your presence. Sailboats with auxiliary engine should have the engine available for immediate use, but you'll be better able to listen for fog signals and other helpful sounds if you leave the engine off until it's needed.

### Required Sound Signal

- Power-driven vessel making way: one prolonged blast every two minutes.
- Power-driven vessel not making way (stopped): two prolonged blast every two minutes with a one second interval between them.

- Sailing Vessel, vessel not under command, vessel restricted in ability to maneuver, vessel constrained by draft, vessel engaged in fishing and a vessel towing or pushing another vessel: one prolonged blast followed by two short blasts every two minutes.



Vary your interval so that there is no possibility of your signals being in step with another vessel's, thereby preventing you from hearing them. Listening for another vessel's fog signals is just as important as sounding your own. If you have crew aboard, post a lookout well forward and consider having another person aft if possible. The lookout should listen as well as look. Lookouts are especially important if your helm station is inside. Switch bow and stern lookouts occasionally to provide some variety and increase alertness.

If your engines are noisy, periodically shift into idle or even shut them down for a few minutes to listen for faint fog signals. The transmission of sound in foggy conditions is tricky, if you hear something, don't jump to a quick conclusion about its direction and distance, listen some more.

## Distress Signals

Even if your pyrotechnic devices (flares) are within the expiration date printed on each flare, you can never know for sure whether the device will work properly until you try it. You can take some precautions to increase your odds. Check your existing flares pulling off the striker top. If you find beads of moisture inside, you can probably rest assured that they will not work. Place your NEW flares in a waterproof, zip lock container. If available put a packet of silica (the kind you find in electronic equipment boxes to absorb moisture) in the bag with the flares.

## Wake Crossing

If you approaching a wake caused by a boat coming in the opposite direction, approach with your bow at approximately a 45° angle to the oncoming wake. This will allow the bow to move up and over with a little roll and lessen the bow pounding. If the wake is large, you will need to slow your speed to keep from falling off the top of the oncoming wake. If the vessel making the wake has passed you (going the same direction you are going) and if traffic allows, turn so that your stern is at a 45° angle to the approaching wake. This lets the wake roll under the stern and pick it up while keeping the motor in the water.

## Sinking

Be prepared to do everything you can to keep the boat afloat if you begin to take on water. Even if the boat is equipped with a bailing pump, carry extra bailers, such as pails. (Gallon and half-gallon plastic bleach or milk containers with the bottoms cut out also make good light-weight bailers.) If you spring a leak, stuff it with clothes, mattresses, rags, or whatever else is available. If necessary, go into the water with a rope around your waist to plug the hole from the outside as well.



If your boat capsizes, do not leave it and attempt to swim to shore. It will provide a place to rest and it will be more easily spotted by rescuers than a swimmer in open water. Try to climb onto the hull or stand on the rails to stay out of the water as much as possible. Debris such as ice chests, hatch covers, mattresses, and seat cushions will begin to float free as it goes down. Gather them around you to hold on to, to rest on, and to make yourself more easily seen by rescue craft. An Emergency Position Indicator Radio Beacon (EPIRB) will automatically signal your position on a frequency picked up by ships and planes in the area, as well as by certain satellites. It can be taken into the water with you if the boat capsizes or sinks.

### Cold Water

Hypothermia is a serious problem in most U.S. coastal waters. Your respiration, pulse, and blood pressure automatically rise when you first enter cold water, especially water less than 70F (21.1C). Try to stay perfectly still for the first 3 minutes until this reaction begins to subside. Even if you are a strong swimmer, do not attempt to swim to shore. Many people drown within 10 to 15 feet of a safe haven. Current, water temperature, fatigue, poor swimming ability, and panic may all work against you. Stay with the boat or the debris and try to keep as much of your body out of the water as possible.



### Tips

#### Hose Guards

Don't throw away that old hose. Cut a piece about a foot long, split the end and put it around your dock lines and anchor lines where they pass through the chocks to prevent chaffing.

#### Kitty Litter Below

When you put your boat up for a period of time put a few boxes of kitty litter below. It will adsorb moisture, reduces mildew, and eliminates odors.

#### The Handy Coat Hanger

Always have a metal coat hanger in your tool kit. It can be used to:

- Free hose blockages
- Hook something in an inaccessible area
- Used to replace a cotter pin
- Used as a temporary tie down
- Free blocked limber holes



### Don'ts

- Don't overload your boat
- Don't stand in a small boat
- Never allow passengers to ride on the bow, seat backs or gunwales.
- Boaters shouldn't ride on the edges of a boat. When the boat is traveling at high speeds, a person could easily fall off and possibly

drown. Once a person falls in the water, there also is the risk of being struck by a passing boat.

### Safety Procedures

- Keep all the lights and navigational equipment in good operating order.
- Make sure you have a basic repair kit.
- Make sure you have an accurate compass.
- Proceed with caution when leaving a dock.
- Watch your wake. Boaters are responsible for all damage.
- Use safe practices when fuelling the boat. Don't smoke, wipe spills and ventilate.
- Report unsafe boaters to the Coast Guard.
- Have a working radio on board.
- Know what your boat can do in rough weather.
- If it's crowded, use caution to avoid running into other boats, water skiers or swimmers.



### Equipment Regulations

Every boat must carry one personal flotation device for every person on board, a fire extinguisher, flares, a horn or whistle, a fluorescent flag and an anchor that is able to stay the boat. Deputies conduct routine safety checks, and failing the inspection can mean a citation and fines.

### Before Boating

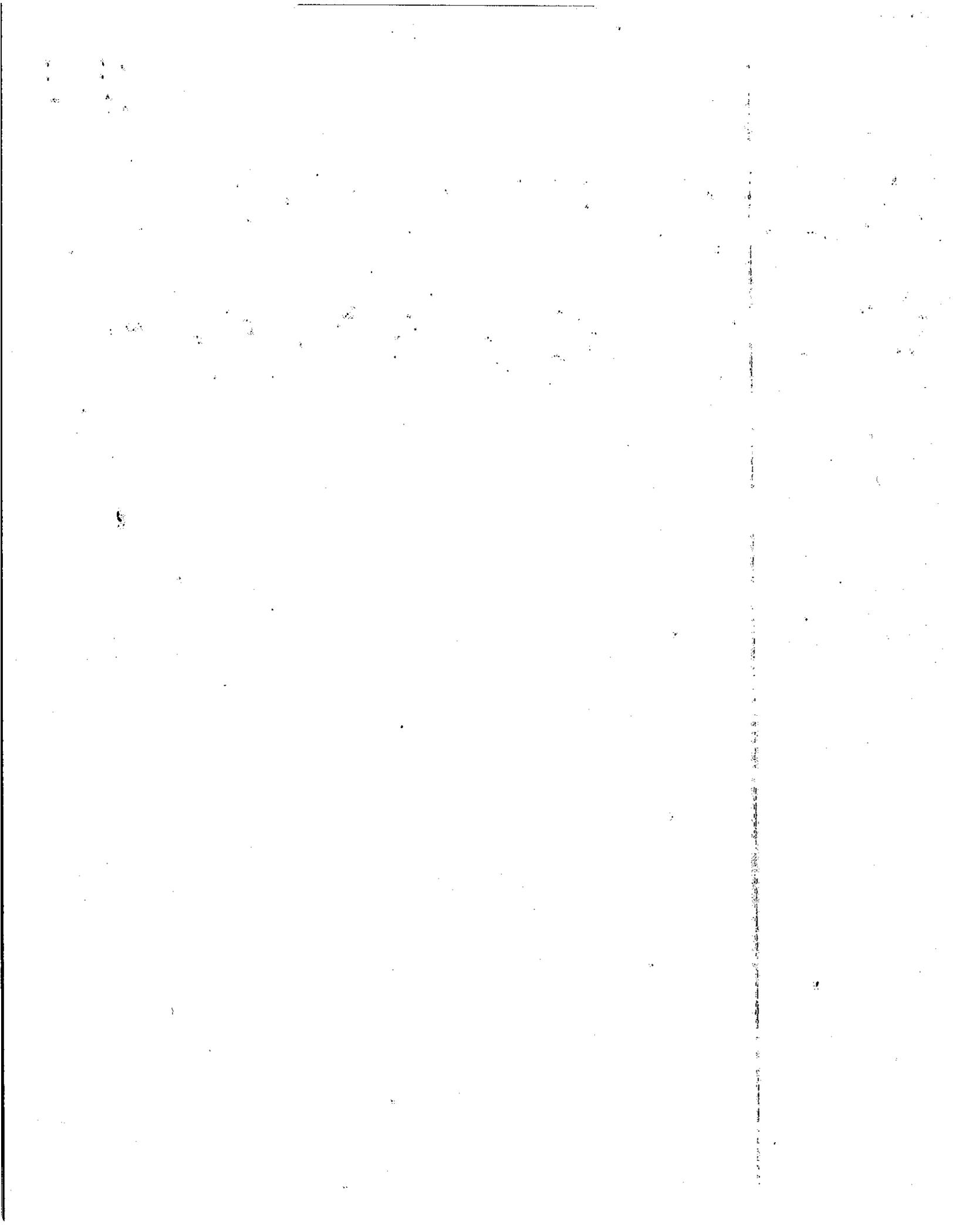
- **Registration:** Make sure your boat and trailer are registered.
- Verify with the Department of Motor Vehicles if your boat requires to be registered.
- **Mechanical Condition:** Ensure both the trailer and the boat are operating safely. On the trailer, lights, brakes, tires and bearings should all be checked. For the boat, there is a larger list.
- **Motor:** Make sure it is well tuned. By replacing minor, inexpensive parts such as spark plugs, air and fuel filters, you may avoid costly breakdown. Inspect and possibly replace fuel if it has set for any length of time.
- **Boat:** Check the hull for integrity. Look closely at deep scratches or dents. They may have penetrated the hull. Inspect all safety equipment.
- **Insure:** having boat insurance can help calm the waters if an accident occurs. Before leaving on your voyage, it is important to make sure you have insurance for your boat and your liability.



### Accident?

Federal and state laws require the reporting of any boating accident that involves a fatality, injuries requiring medical treatment beyond first aid or property damage over \$500. "Accidents" included capsizing, falls overboard, collisions, fire, sinking/flooding, explosions, or disappearance and should be reported to your local boating authority.





# State of Florida



## OFFICE OF INSURANCE REGULATION Tallahassee, Florida

I, the undersigned, Director of the Office of Insurance Regulation of the State of Florida, do hereby certify that

Dated this 30th day of June, 2003

After conducting a diligent search of the official records of the FLORIDA OFFICE OF INSURANCE REGULATION, no record exists which discloses that the following company or individual currently holds, or has ever held, a CERTIFICATE OF AUTHORITY from the Department authorizing the company or individual to transact insurance as an insurer in any capacity, including that of a Third Party Administrator:

**International Marine Safety Foundation (IMSF)**

IN TESTIMONY WHEREOF, I hereto  
subscribe my name, and affix the Seal of  
my Office, at Tallahassee, the day and year  
first above written.

A handwritten signature in black ink, appearing to read "K. M. [unclear]".

Director, Office of Insurance Regulation



EXHIBIT

C

# State of Florida



## OFFICE OF INSURANCE REGULATION Tallahassee, Florida

I, the undersigned, Director of the Office of Insurance Regulation of the State of Florida, do hereby certify that

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**International Marine Water Safety Foundation (IMWSF)**



IN TESTIMONY WHEREOF, I hereto  
subscribe my name, and affix the Seal of  
my Office, at Tallahassee, the day and year  
first above written.

A handwritten signature in black ink, appearing to read "K. M. ...".

Director, Office of Insurance Regulation

# State of Florida



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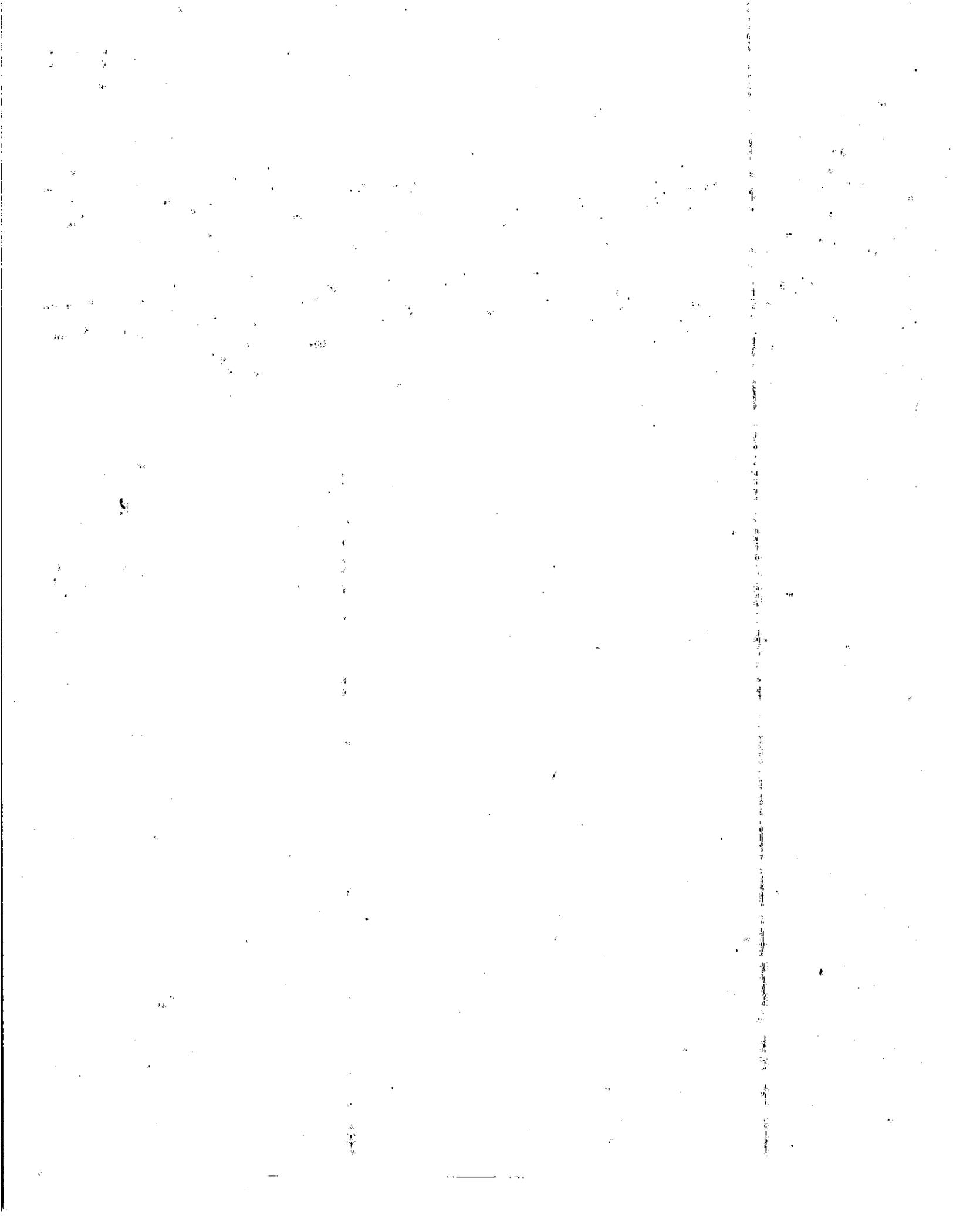
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Director, Office of Insurance Regulation



## IWSF INSURANCE BENEFIT COVERAGE OVERVIEW

For current and future members:

The IWSF as a member foundation with its many benefits and services has a responsibility to inform all members in a clear and appropriate manner of their role in the Foundation and their participation in the acquisition of these benefits.

As you know through previous safety information you have received on a regular basis, the Foundation is first and foremost a non-profit membership organization dedicated to the promotion of safety for all water and snowcraft sports and recreational activities. The Foundation has over 60,000 non-participating members and 5,000 participating members in North America.

This letter is to clarify, as a member, your insurance benefit coverage with the Foundation's Master Policy which is underwritten by North American Marine & General Insurance Company Limited.

The insurance benefit offered by the Foundation to its members is Group Wet Ocean Marine Insurance. This benefit is offered to the members only in the form of certificates under a Group Wet Ocean Marine Master Policy underwritten for the Foundation by a non-admitted carrier. The Foundation has a Master Policy with a non-admitted carrier to facilitate access to members residing in different countries.

It should be noted that the Foundation is not in the business of selling insurance nor is an insurance company or an insurance broker. The Foundation offers this insurance benefit as part of the IWSF benefits available to members only. The carrier North American Marine General Insurance Company Limited has made available to IWSF members excellent insurance benefit coverage for more than six years.

It is important to point out that Wet Ocean Marine insurance is under federal jurisdiction and can not be regulated by state insurance departments and is exempt from state regulations. Therefore the provider of this type of insurance is not required to be licensed or admitted under any state jurisdiction.

We appreciate the attention you will give to this information and hope that this will clarify any questions or concerns about our members insurance benefit.

The Foundation on a regular basis sends members informative letters and announcements to keep them aware of their rights and privileges as a member of the IWSF.

If any additional information is needed, please do not hesitate to contact Water Safety Services Inc., servicing IWSF for North America at:

905, Michele-Bohec Blvd., Suite 204,  
Blainville (Quebec)  
J7C 5J6  
Tel.: 1-888-346-4673  
Fax: 1-888-346-4674  
E-mail: [benefits@iwsf.us](mailto:benefits@iwsf.us)

Sincerely,

[http://www.iwsf.us/insur\\_overview.htm](http://www.iwsf.us/insur_overview.htm)



8/21/200

**Contact Info**

The home office of the International Water Safety Foundation is situated in proximity of London, at:

Helena House  
The Esplanade  
Sandgate, Kent, CT20-3DX  
England

Water Safety Services Inc., the North American representative servicing IWSF is located in Canada at:

905 Michele-Bohec BLVD., Suite 204  
Blainville, Province of Quebec  
Canada J7C-5J6  
Tel.: 1-888-346-4673 or 1-450-430-6749  
Fax: 1-888-346-4674 or 1-450-430-7618  
E-Mail: [infocom@iwsf.us](mailto:infocom@iwsf.us)

## Insurance Information

The International Water Safety Foundation can make available insurance coverage as a benefit to its members only.

[Click here for membership insurance benefit overview.](#)

Water craft and Snow craft coverage are available to our members by either submitting a quote from this web site or by calling our toll free number 1-888-346-4673.

For water craft coverage the Group Wet Ocean Marine Master Policy will accommodate the following:

- personal water craft
- jet-skies
- pleasure craft
- sail
- hovercraft
- air boats
- owner operated commercial, charter
- rentals.

[Click here for a water craft QUOTE!](#)

For snow craft coverage the Group Snowcraft Master Policy will accommodate the following:

- snow craft - no CC limit
- rentals

[Click here for snow craft QUOTE](#)

Insurance Information

International Water Society Foundation  
Membership Benefits Department



6/11/01

**Mr. Alex Crawford**  
DBA - Rac. & Assoc, Inc.  
436 Hwy 98 West  
Apalachicola, FL 32320

**Re:**            **Claim No.:**            **NA-1344**  
                  **Policy No.:**            **[REDACTED]**  
                  **Certificate No.:**        **SFC-18738**  
                  **Date of Loss:**            **6/ 2/01**  
                  **Recruiter Code:**        **5503A**

Dear Mr. Crawford:

Water Safety Services. is under contract to service a Group Wet Ocean Marine Master Policy and a Group Snow Craft Policy held by the International Water Marine Safety Foundation and underwritten by North American Marine & General Insurance Co. Ltd. Water Safety Services is an independent contractor that gathers and processes information regarding claims. We are not agents of the insurance company, the claims information we gather is submitted to the claims committee of the IWMSF for review and final decision.

In response to your notice of loss we have opened a claim file. For expedience, please address all correspondence and calls directly to this office.

In order for us to process and prepare your claim for review by the insurance committee, we need you to provide us with as much information on the loss as possible. Please forward to us the followings:

- A signed hand-written statement concerning the facts about the incident; date; time; what exactly happened; where it took place; the property involved; the operator; the name and addresses of any persons injured or of any witnesses; how and under what conditions the vessel was stored and secured at the time of the loss; and any other facts that you feel are relevant to this incident.
- In case of a theft, an on premises, police report must be produced.
- Proof of ownership of the vessel (bill of sale, title, registration, etc.).
- Three (3) estimates, and any photos you may have of the damage.



Alex Crawford

6/11/01

Page 2 of 2

You must not forget to take all reasonable steps to protect the insured vessel from further loss. Any repairs made prior to the written consent of WSS or its authorized representative may void coverage for said loss.

***You must submit the above requested information  
within the next 60 days,  
otherwise the coverage may be voided.***

Once we review your response, we will begin the processing of your claim and determine at that time the best way to proceed.

Thank you for your anticipated cooperation in this regard and please do not hesitate to contact Water Safety Services if you have any questions.

Yours sincerely,



Sacheen Hawkins

Director

CLAIMS ANALYSIS DEPARTMENT

ALEX

# I.W.S.F. Quote Info

North American Division Office  
 905 Michele Bohac Blvd. Suite 204  
 Blainville, QC, Canada  
 Phone #: 888-348-4673  
 Fax #: 888-346-4674

Quote ID: 0004323 | Date: 02/24/2003

For A: WATER-CRAFT

Date Printed: 02/24/2003

Insured: SOUTH SIDE JET SKI LLC.

Phone: (386) 760-3008  
 Fax: 386 760 3008  
 Address: 3537 HALIFAX DR  
 City/Town: PORT ORANGE  
 Region: FL  
 Postal Code: 32129  
 Age: 39

## Referred By

Name: TO BE OBTAINED  
 Contact: TO BE OBTAINED  
 Phone: (655) 555-5555  
 Fax: (655) 555-5555  
 Recruiter Code: N/A

## Unit

Year: 2003  
 Make: TO BE OBTAINED  
 Length / CC: 20  
 Model: N/A  
 Drive Train: OB  
 Mile Limit <= 12 | Top Speed < 59  
 Multi Unit Quote:   
 Water Skiing:

## History

Years Of Ownership: 3  
 Safety / Instruct Courses: 0  
 Minor Infractions: 0  
 At Fault Accidents: 0  
 Felony, DWI, Majors: 0  
 Water-Craft Claims: 0

Note: Includes Membership Fee

## Coverages

	Premium	Deductables
Hull/Machien/Attached Equip	\$0.00	Craft \$0.00
Trailer Value	\$0.00	Trailer \$0.00
Personal Effects	\$0.00	Person EFX \$0.00
Liability Only <input type="checkbox"/>		15% Discount if applicable: \$0.00
Liability Annual Agg	\$100,000.00	
Mod Pay	\$0.00	
Uninsured Operator	\$0.00	
Water Ski Coverage	\$0.00	
Liability Per Person / Per Accident	\$50,000.00	\$100,000.00

Coverages And Premium are subject to change.  
 Boats > 15 yrs old may require hull survey  
 All operators are assumed > 18 yrs of age

WMAE DOD LIC #  
 YA MK 100 VW  
 BUS VRT 400  
 GEN 1000 SEL

Premium = 60,000 \$ with 1mil Liab = \$4,730  
 Premium = 32,400 \$ with 1mil Liab = \$1,710  
 2340 / 3340 25K



Friday, Mar 14 2003

# Fax

To SOUTH SIDE JET SKI LLC.

From: International Water Safety Foundation

905 Michele Bohec Blvd

Suite 204

Blainville (Quebec)

Canada

J7C 5J6

IWSF Fax: 1-888-346-4674

Phone: 1-888-346-4673

Fax (904) 756-7064

Phone: (386) 760-3008

Re: CERTIFICATE: SFC-20270  
NAME- SOUTH SIDE JET SKI LLC.  
COVERAGE PERIOD- 03/14/2003 TO 03/14/2004

Message:

Thank you,

*International Water Safety Foundation*  
*Always Remember "Safety Is No Accident"*



BINDER NUMBER  
SFR02070NEW



THIS CERTIFICATE IS ISSUED UNDER IWSF  
GWOMMP-210977 AND UNDERWRITTEN BY  
NORTH AMERICAN MARINE &  
GENERAL INSURANCE CO. LTD.

# INTERNATIONAL WATER SAFETY FOUNDATION GROUP WET OCEAN MARINE MASTER POLICY

Binder Period  
02/14 To 02/28

Policy No GWOMMP 010977

Certificate No  
SFR02070

Named Insured and Address:  
SOUTH SIDE JET SKI L.L.C.

Reverier: 0001A

COVERAGE PERIOD  
From: 2/14/2023  
To: 2/14/2024

5537 HALIFAX DR  
PORT ORANGE, FL - 32129

Rental

Phone (385) 760-3005

Coverage is provided only where an amount for insurance or premium is indicated

SECTION	COVERAGES	AMOUNT	PREMIUM	DEDUCTIBLE
A	Insured Craft	\$25,000.00	\$1,600.00	\$500.00
A2	Personal Effects	\$0.00	\$0.00	\$0.00
B	Liability: Personal \$300,000.00 Professional \$1,000,000.00 Medical Malpractice	\$1,000,000.00	\$2,315.00	\$500.00
B2	Uninsured Boatier Coverage	\$0.00	\$0.00	\$0.00
C	Medical Payments	\$2,000.00	\$0.00	\$0.00
D	Traffic	\$0.00	\$0.00	\$250.00
E	Towing Coverage	\$500.00	\$0.00	\$0.00
F	Membership Fee		\$25.00	
		Total	\$5,940.00	

**G Insured Craft Description**

Year: N/A    Length:    Model: N/A    Motor Info:    Count: 1    Fuel: G  
 Hull No: SEE ATTACHED ENDORSEMENT #4 FOR EQUIPMENT LIST    Yr: 2003    HP: N/A    Trailer: EV  
 Serial No: N/A    Motor #1 Serial No: N/A    Motor #2 Serial No: N/A    Motor #3 Serial No: N/A  
 Trailer Description:

**H Loss Payee:**    Loss Payee Name: NONE  
 Loss Payee Address:

**I Lay Up Warranty**

Warranted that the craft(s) shall be laid up and out of commission at:  
 From: ACNE    To: N/A

Crafts are secured how and where when not in use?  
 SEE BELOW IN COMMENTS

**J Navigational Limits**

Inland lakes and rivers of the Continental United States and Canada.

Atlantic Coastwise waters from Boston, Maine to Panama City, FL up to 12 nautical miles offshore.

Great Lakes and up to 12 nautical miles offshore.

Pacific coast waters not north of Vancouver Island and not south of Point Barrow, Mexico up to 12 nautical miles offshore.

Gulf Coast from Panama City, Florida to Brownsville, Texas up to 12 nautical miles offshore.

Hawaiian waters up to 12 nautical miles offshore.

1. Named insured's business or occupation: N/A
2. Named insured's age: N/A
3. Date you purchased craft: N/A    New/Used: N/A    Price paid: N/A
4. When was the craft last appraised / surveyed? N/A    By whom? N/A
- 4a. Present market value per appraisal / survey: N/A
5. Have you or any listed operator been cited or convicted of a felony or / DWI? Yes  No
6. How many years have you owned a craft comparable to the listed insured craft? 3
- 6a. How many years of operating experience do you have on a craft comparable to the listed insured craft? 1
7. Have you had any watercraft losses, claims, or accidents during the last 5 years? Yes  No
- 7a. If YES, please explain on a separate sheet of paper and attach.
8. List all operators: 1. BRIAN ANTHONY RIZZO    DOB: [REDACTED]    DL No: [REDACTED]  
2. WILLIAM SHAWN WEDDLE    DOB: [REDACTED]    DL No: [REDACTED]

Comments

ADDITIONAL OPERATORS MUST BE OVER 16 YEARS OF AGE

REQUIRED IWSF CRAFT RENTAL AGREEMENT (CRA) REQUIRED. MIN \$1000 US\$ DEPOSIT REQUIRED ON ALL NOTORIZED CRAFT RENTALS

ADDITIONAL COMMENTS  
 RENTAL POLICY ON (S) JETSKES  
 POLICY IS FOR FULL COVERAGE, NOT COVERED FOR THEFT WHEN RENTED

SECTION I STORAGE ADDRESS AND METHOD FOR INSURED CRAFT IS: ALL UNITS ARE SECURED BY LOCKS AND CAGES AT ABOVE ADDRESS. MARINA HAS SECURITY GUARD WITH MULTIPLE SECURITY LIGHTS

ENDORSEMENT STATEMENTS  
 SEE ATTACHED ENDORSEMENT #4 FOR AN EQUIPMENT LIST

I/we warrant that the insurer may rely on all information in this application and that same is true and complete to the best of my/our knowledge and that no information has been withheld or suppressed. I/we understand that if any of the statements I/we have made are not true, then there will be no coverage under this certificate. This application, once signed and the premium paid, becomes part of the certificate. As a member, I authorize the Foundation to vote on my behalf on any administrative and/or policy matter when the Foundation deems necessary.

We authorize the I.W.S.F. to represent me/us in all I.W.S.F. programs

Date:    Signature of OWNER/APPLICANT:  
305 MICHEL-BONHEC BLVD. SUITE 204 • BLAINVILLE, QUEBEC • J7C 5J4 • CANADA  
TEL: 1-888-340-4873 • FAX: 1-888-340-4874 • www.iwsls.com



BINDER NUMBER  
SFC8118REN



THIS CERTIFICATE IS ISSUED UNDER IWSF  
GV VP-010977 AND UNDERWRITTEN BY  
NORTH AMERICAN MARINE &  
GENERAL INSURANCE CO. LTD.

# INTERNATIONAL WATER SAFETY FOUNDATION GROUP WET OCEAN MARINE MASTER POLICY

Under Period:  
To

Policy No GWOMMP 010977

Certificate No

SFC8118

Named Insured and Address  
STEPHEN RICHARDSON

DECLARATIONS

Recruiter: 0001A

COVERAGE PERIOD

From: 1/25/2003

To: 1/25/2004

Phone

Pleasure

Coverage is provided only where an amount for insurance or premium is indicated

SECTION	COVERAGES	AMOUNT	PREMIUM	DEDUCTIBLE
A	Insured Craft	\$24,500.00	\$655.00	\$600.00
A2	Personal Effects	\$0.00	\$0.00	\$0.00
B	Liability: Per Person: \$50,000.00 Per Accident: \$100,000.00 Annual Aggregate:	\$100,000.00	\$0.00	\$0.00
B2	Uninsured Boater Coverage	\$0.00	\$0.00	\$0.00
C	Medical Payments	\$1,000.00	\$0.00	\$0.00
D	Trailer	\$4,500.00	\$0.00	\$500.00
E	Towing Coverage	\$500.00	\$0.00	\$0.00
F	Membership Fee		\$25.00	
	Total		\$650.00	

**G Insured Craft Description**

Year: 1995 Length: 18 Model: 482 VS Motor Info: Count: N/A Fuel: N/A  
 Built By: RANGER Yr: N/A HP: 150 Train: OB  
 Serial No: R- Motor #1 Serial No: N/A Motor #2 Serial No: N/A Motor #3 Serial No:  
 Trailer Description: 95 RANGER

**H Loss Payee:** THE VILLAGE BANK OF FLORIDA  
 Loss Payee Address: POB 270877  
 TAMPA FL - 33688

**I Lay Up Warranty:** Warranted that the craft(s) shall be laid up and out of commission at: FL  
 From: NONE To: SECURED AT HOME/FENCED YARD  
 Crafts are secured how and where when not in use?  
 When not in use crafts must be on a dished trailer by attaching a hitch couple AND removing 4 wheel OR crafts must be kept indoors, in storage, behind locked gates, or locked till. Crafts not on trailers must be in a secured marine or home unless stated otherwise in comments. Personal effects must be kept indoors unless stated otherwise in comments.

**J Navigational Limits**

Inland lakes and rivers of the Continental United States and Canada.  
 Atlantic Coastwise waters from Eastport, Maine to Pensacola, FL up to 12 nautical miles offshore.  
 Great Lakes and up to 12 nautical miles offshore.  
 Pacific coastal waters not north of Vancouver Island and not south of Point Banda, Mexico up to 12 nautical miles offshore.  
 Gulf Coast from Pensacola, Florida to Brownsville, Texas up to 12 nautical miles offshore.  
 Hawaiian waters up to 12 nautical miles offshore.

1. Named Insured's business or occupation: INVESTIGATOR
2. Named Insured's age: 2.a. Drivers licence number: R- FL
3. Date you purchased craft: 01/95 Now / Used: NEW Price paid: 29,000
4. When was the craft last appraised / surveyed? N/A 4.a. By Whom? N/A
- 4.b. Present market value per appraisal / survey: N/A 9. Do you ski with the craft? Yes  No
5. Have you or any listed operator been cited or convicted of a felony or / DWI? Yes  No
6. How many years have you owned a craft comparable to the listed insured craft? 8
- 6.a. How many years of operating experience do you have on a craft comparable to the listed insured craft? 10
7. Have you had any watercraft losses, claims, or accidents during the last 5 years? Yes  No
- 7.a. If YES, please explain on a separate sheet of paper and attach.
8. Listed operators: 1. NONE

Comments 2.

ADDITIONAL OPERATORS MUST BE OVER 16 YEARS OF AGE  
 LIABILITY UNDER THIS CERTIFICATE IS LIMITED TO \$25,000.00 FOR ANY LISTED OPERATORS UNDER THE AGE OF (21).

I warrant that the insurer may rely on all information in this application and that same is material and true and complete to the best of my/our knowledge and that no information has been withheld or suppressed. We understand that if any of the statements I/we have made are not true, then there will be no coverage under this certificate. This application, once signed and the premium paid, becomes part of the certificate. As a member, I authorize the Foundation to vote on my behalf on any administrative and/or policy matter which the Foundation deems necessary.

I/We authorize the I.W.S.F. to represent me/us in all I.W.S.F. programs

Date:

Signature of OWNER/APPLICANT:

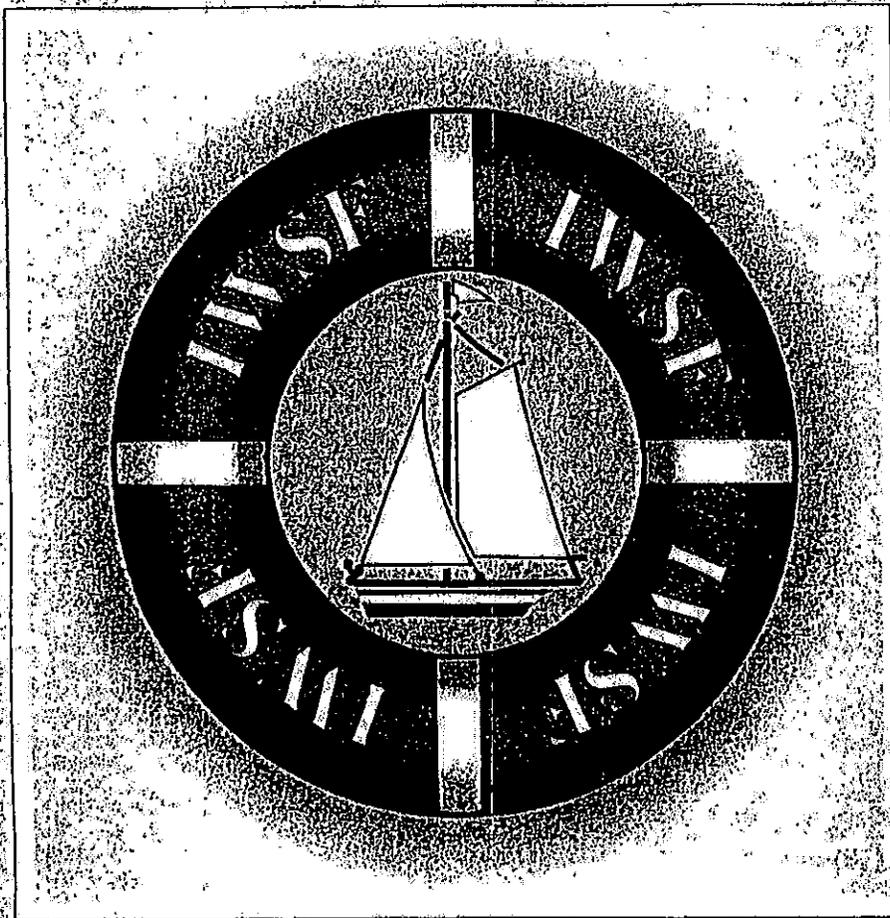
905 MICHELE-BOHEC BLVD \* SUITE 204 \* BLAINVILLE, QUEBEC \* J7C 5J6 \* CANADA  
 TEL: 1-888-346-4673 \* FAX: 1-888-346-4674 \* www.iwsf.ca



# INTERNATIONAL WATER SAFETY FOUNDATION

GROUP WET OCEAN MARINE MASTER POLICY  
No -GWOMMP-010977

CERTIFICATE OF INSURANCE



UNDERWRITTEN BY  
NORTH AMERICAN MARINE & GENERAL INSURANCE COMPANY, LTD.

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## CONTRACT OF INSURANCE

EFFECTIVE: JANUARY 1, 1996

GROUP WET OCEAN MARINE MASTER POLICY NUMBER: [REDACTED]

EXPIRATION: UNTIL CANCELLED

Whereas, INTERNATIONAL WATER SAFETY FOUNDATION desires to secure for its members a program of Wet Ocean Marine Insurance (hereinafter the "Program") which would make available to its members on a cost effective basis liability, medical payments, personal effects, trailer and property damage coverage protecting them in their use, operation and/or control of their crafts as well as protecting their property interest in their craft.

Whereas, INTERNATIONAL WATER SAFETY FOUNDATION is willing to administer the Program by engaging in such activities as: distributing among its members descriptive literature and other information to acquaint them with the insurance benefit coverage available thereunder; encouraging those members eligible for coverage to participate in the Program; making application forms available to eligible members; promoting safety among its members; sponsoring safety programs and coordinating and servicing the Program for the benefit of its members.

Whereas, NORTH AMERICAN MARINE & GENERAL INSURANCE COMPANY, LTD. has developed the Program consisting of this GROUP WET OCEAN MARINE MASTER POLICY whereby a group of craft owners, users and/or operators undertake to administer such Program by: distributing among its members descriptive literature and other information to acquaint them with the insurance benefit coverage available thereunder; encouraging those members eligible for coverage to participate in the Program; making application forms available to eligible members; promoting safety among its members; sponsoring safety programs and coordinating and servicing the Program for the benefit of its members in exchange for NORTH AMERICAN MARINE & GENERAL INSURANCE COMPANY, LTD. making available to eligible members the insurance benefit coverage provided under the Program in accordance with the terms and conditions of the GROUP WET OCEAN MARINE MASTER POLICY at cost efficient rates of premium that take into account and reflect the expense savings to be realized by the INTERNATIONAL WATER SAFETY FOUNDATION because of the group's administration of the Program.

Whereas, of even date herewith, the INTERNATIONAL WATER SAFETY FOUNDATION and NORTH AMERICAN MARINE & GENERAL INSURANCE COMPANY, LTD. have entered into such a Wet Ocean Marine Insurance Program Management Agreement.

NOW, THEREFORE in consideration of the premiums, the application for the GROUP WET OCEAN MARINE MASTER POLICY of even date herewith, and other good and valuable consideration, this GROUP WET OCEAN MARINE MASTER POLICY NO. GWOMMP-010977 is issued by NORTH AMERICAN MARINE & GENERAL INSURANCE COMPANY, LTD. to INTERNATIONAL WATER SAFETY FOUNDATION, for the benefit of each and every members of the INTERNATIONAL WATER SAFETY FOUNDATION who, being a member in good standing at the time, is a holder of a valid Certificate of Insurance under this GROUP WET OCEAN MARINE MASTER POLICY, and with regard to and with each such third party beneficiary each such member, in consideration of the payment of the premiums specified in the Certificate of Insurance issued to him, and is reliant upon the statements set forth in the Certificate of Insurance made a part thereof, is subject to all the terms and conditions of this GROUP WET OCEAN MARINE MASTER POLICY.

## PART I - CONVENTIONS

- 1.1 The use of *italic* text in these Sections indicates that the word or phrase in *italic* is defined in Part II.
- 1.2 The use of **bold** text in these Sections indicates an exclusion from coverage.
- 1.3 The masculine gender imports the feminine gender and vice versa.

## PART II - DEFINITIONS

The following definitions apply to these Sections, the declarations page and any endorsements.

- 2.1 "*actual cash value*" means the actual cash value of the *insured property*, which is calculated in accordance with the general methods and practices used in the North American marine insurance industry.
- 2.2 "*additional operator*" refers to anyone listed on the declarations page as an operator of the *insured craft*. (No coverage is provided under *this certificate* when the *insured craft* is being operated by anyone other than those persons listed on the declarations page as operators).
- 2.3 "*due diligence*" means the degree of diligence which a prudent uninsured could reasonably be expected to exercise in relation to the *insured craft*.
- 2.4 "*insured craft*" means the craft named on the declarations page, including spars, sails, machinery, tenders, dinghy(ies), outboard motors, fittings and other equipment listed on an equipment list and filed with us or our authorized representative, if required, normally used in the operation or maintenance of the craft. It does not include moorings and cradles.
- 2.5 "*insured event*" means the happening of an event, which causes loss, damage or liability, which is covered by *this certificate*.
- 2.6 "*insured property*" means any one or all, as the case may be, of the properties duly insured herein according with the terms and conditions of *this certificate* AND expressly indicated on the declarations page with any applicable attached endorsements, such as the *insured craft*, *personal effects* and trailer.
- 2.7 "*insured property value*," means the lower of the following amounts less any applicable deductibles:
  - 2.7.1 the amount of insurance indicated on the declarations page for each *insured property*;
  - 2.7.2 the *actual cash value*; or
  - 2.7.3 the insurable interest (amount actually paid by you).
- 2.8 "*lay up warranty*" if indicated on the declarations page means that no coverage is provided under *this certificate* for any loss or damage to the *insured craft* that occurs during the time indicated therein unless the *insured craft* has been hauled, removed from water and stored.
- 2.9 "*material information*" means information which might influence us in our decision whether to insure you or what level of premium to charge you or, in the case of a claim arising, whether to settle the claim or at what level.
- 2.10 "*navigational limits*" means the navigational limits set out on the declarations page.
- 2.11 "*personal effects*" means wearing apparel, sports equipment and other personal effects related to boating and navigational equipment. It does not include money, travelers' checks, securities, valuable papers or other documents, computer(s), portable electronic equipment, furs, jewelry, fine arts and watches.
- 2.12 "*reasonable cost*" means the cost, which would be paid by a prudent uninsured. It does not include any additional costs incurred in order to have repairs or any other work effected on an accelerated basis.
- 2.13 "*seaworthy*" means well maintained and in good repair and adequately manned by competent crew and properly equipped and provisioned and in all respects in a condition to withstand the ordinary action of wind and waves without sustaining damage.
- 2.14 "*theft deductible*" if indicated on the declarations page, it is the amount that you shall assume as a prior condition of any settlement applicable to the theft or mysterious disappearance of the *insured craft*, in whole or in part.
- 2.15 "*this certificate*" means the contract of insurance contained in this document, the declarations page and any applicable endorsements.
- 2.16 "*towing coverage*" if indicated on the declarations page we will reimburse you for expenses paid to a licensed tow company for emergency towing of the insured property while on water only.

- 2.17 "uninsured boater" and "uninsured owner or operator" mean an owner or operator of a craft other than the *insured craft* who is legally responsible for an accident, and:
- 2.17.1 to whom no liability policy applies; or
  - 2.17.2 who cannot be identified (such as a hit and run operator).
- 2.18 "we", "our", "ours" and "us" refer to the insurers named on the declarations page.
- 2.19 "you", "your" and "yours" refer to the named insured on the declarations page; if the insured is a company, trust or corporation they include the beneficial owner(s) of the majority interest in the company, trust or corporation.

### PART III - COVERAGE FOR PHYSICAL DAMAGE

This certificate insures, subject to the provisions herein, the *insured property* against all risks of physical loss or damage arising from any direct accidental external cause. Each claim for loss or damage to the *insured property* shall be adjusted separately.

- 3.1 We will insure the *insured property* at the *insured property value* during the coverage period of this certificate subject to the exclusions and requirements set out in Parts VIII and X of this certificate.
- 3.2 If as the result of an *insured event* the *insured property* is totally lost or is so badly damaged that the *reasonable cost* of recovering and repairing it would exceed the *insured property value* we will either pay you the *insured property value* of the *insured property* or, at our option, replace it with a property of similar type and in equivalent condition.
- 3.3 In any other case where the *insured property* is damaged as the result of an *insured event* we will pay the *reasonable cost* of repairing the *insured property* or, at our option, replace any individual item lost or damaged with an item of similar type and in equivalent condition.
- 3.4 We will also pay the following claims in the event that they are incurred as the result of an *insured event*. Our liability to you under this Section 3.4 is in addition to our liability under Sections 3.1 to 3.3 above but our aggregate liability under Sections 3.1, 3.2, 3.3, 4.1, 4.2 and 4.3 arising out of all *insured events* within the coverage period of this certificate will in no case exceed a sum greater than the amount indicated on the declarations page.
- 3.5 The *reasonable cost* of the salvage of the *insured craft* subject to Part XIV (Section 14.22) of this certificate (other than salvage services rendered by another craft beneficially owned by you or under the same management as the *insured craft*).
- 3.6 In the event of damage to plastic, fiberglass, plywood or other laminated portions of the *insured craft*, we shall not be liable for more than the cost of making repairs in accordance with customary or generally accepted shipyard repair practices.
- 3.7 In the event that the *insured craft* has a flake or fleck finish, any claims for damage will be adjusted as though the *insured craft* had a regular paint finish.
- 3.8 In the event of loss or damage to any part of the *insured property* consisting, when complete for use, of several parts, we shall only be liable for the value of the part lost or damaged.
- 3.9 For the purpose of calculating any partial loss, our liability will never exceed the percentage of the loss bears to the percentage of the *insured property value*.

### PART IV - LIABILITY

- 4.1 Subject to the exclusions and requirements set out in Parts IX, X and XI of this certificate we will insure you and any additional operator in control of the *insured craft* with your permission, strictly and solely when the *insured craft* is afloat, against liabilities incurred to third parties as a result of the ownership or control of the *insured craft* up to the amount of the Third Party Liability limit as indicated on the declarations page.
- 4.2 In addition to the sum stated above we will also pay the legal costs (authorized by us in writing) incurred by you or any other person covered by Section 4.1 above in defending or prosecuting any legal proceedings arising out of or in connection with an event giving rise to liabilities covered by this Part IV including proceedings before any Court of Justice and proceedings to limit liability. Our liability herein shall never exceed \$10,000.00 US any further amount as legal cost being totally assumed by you.
- 4.3 We will be entitled at our absolute discretion to take over the conduct of any legal proceedings covered under Section 4.2 in the name of any person covered under this Part IV and any and all such persons must fully cooperate with us in the prosecution and/or defense of those proceedings. Furthermore, we may make such investigation, negotiation and settlement of any claim or suit, as we may deem necessary.

#### UNINSURED BOATER COVERAGE

- 4.4 If an amount is indicated on the declarations page, this Section insures you and any other person while aboard the *insured craft* with your permission. In this Section only "you" includes any such other person.
- 4.4.1 We will insure you for damage incurred to you because of bodily injury received while aboard your *insured craft*, strictly and solely in the event that you are legally entitled to recover such damage from an insured owner or operator of another craft.
- 4.4.2 Payment made to you for the coverage herein will reduce the amount that you are entitled to recover from Part IV and Part V of this certificate.
- 4.4.3 A maximum limit of coverage for damages under this *uninsured boater* coverage is the amount indicated on the declarations page regardless of the number of insured persons herein, claims made or crafts involved in any one accident or series of accidents arising out of the same *insured event*.

#### PART V - COVERAGE FOR MEDICAL PAYMENTS

- 5.1 This Part V insures you and any other person while aboard the *insured craft* with your permission. In this Part V only "you" includes any such other person.
- 5.2 We will pay you for medical payments, only and strictly if an amount is indicated on the declarations page for medical payments, subject to the limits and any deductibles as indicated on the declarations page, if you sustained accidental bodily injury occurring during the coverage period of this certificate while aboard of the *insured craft*; the reasonable costs of necessary medical, surgical, ambulance, hospital and professional nursing services and in the event of death resulting from such accidental injuries the reasonable funeral expenses, all incurred within one (1) year from the date of the accident.

#### CONDITIONS APPLICABLE TO PART V

- 5.3 As soon as practicable you or someone on your behalf shall give to us written proof of claim, under oath if required, and shall, after each request from us execute authorization to enable us to obtain medical reports and copies of records. You shall submit to physical examination by physicians selected by us when and as often as we may require. We may pay you or any person or organization rendering such services and such payment shall reduce the amount payable hereunder for such injury. Payment hereunder shall not constitute admission of liability.

#### EXCLUSION RELATED TO PART V

- 5.4 Notwithstanding anything to the contrary, nothing contained in this certificate shall be interpreted to increase the coverage for bodily injury set out in Section 5.2. This certificate does not constitute a life and health insurance.

#### PART VI - COVERAGE FOR TRAILER

- 6.1 We will insure at the *insured property value* the trailer used for transportation of the *insured craft* for theft and direct or accidental loss or damage to the trailer caused by fire, lightning, windstorm and collision or upset only and strictly if an amount of insurance is indicated for trailer on the declarations page.

#### PART VII - COVERAGE FOR PERSONAL EFFECTS

- 7.1 Subject to the exclusions and requirements set out in Parts VIII, X and XI of this certificate we will pay the lower of the *insured property value* or the reasonable cost of repair or replacement of *personal effects* belonging to you, your spouse or any child of yours under the age of 21 years living with you in the event of loss or damage resulting from an *insured event* and while the *personal effects* are aboard the *insured craft* only when the *insured craft* is afloat.
- 7.2 If at the time of loss or damage to *personal effects* and any such *personal effects* are covered by other insurance they will not be covered by us except if and to the extent that their value exceeds the sum insured under the other insurance, in which case we will cover them to the extent of that excess only and subject to the *insured property value*.

#### PART VIII - EXCLUSIONS RELATING TO PART III

We will not pay any claim for any reason whatsoever for:

- 8.1 any loss or damage caused by a failure to exercise due diligence to manage the *insured craft* properly or to maintain it in a seaworthy condition whether such failure is yours or that of any other person appointed by you to manage the *insured craft*;

- 8.2. loss or damage caused by or resulting from wear and tear, breakage, gradual deterioration, including marine life, marring, denting, scratching, chipping, electrolysis, insect, vermin, obsolescence, rust, corrosion, latent defect, inherent vice, overheating, dampness of atmosphere and water;
- 8.3. loss or damage caused by or resulting from any repairing or restoration or remodeling process, structural, mechanical or electrical breakdown or failure and of any loss that is determined after investigation to be covered by manufacturers warranties;
- 8.4. the theft of any of *your* gear or equipment unless it is permanently attached to the *insured craft*;
- 8.5. the theft of any boat or tender to the *insured craft* unless permanently marked with the *insured craft's* name or registration number;
- 8.6. the deductible set out on the declarations page in respect of each and every loss or series of losses arising out of any one occurrence;
- 8.7. loss or damage to the mooring or any part thereof;
- 8.8. loss or damage to protective covers or to sails split by the wind;
- 8.9. loss or damage to sails, masts, spars or standing or running rigging or anything attached thereto while the *insured craft* is racing;
- 8.10. loss or damage caused by negligence or misconduct of persons to whom the *insured craft* is entrusted, including, but not limited to a marina, boat dealer, repair shop, carrier or any other bailment;
- 8.11. loss or damage due to the perils of theft, burglary or mysterious disappearance of a **PERSONAL WATERCRAFT** unless stored, when not in use, in a fully enclosed (4 walls and a roof) **AND** locked portion of *your* home or place of residence;
- 8.12. loss or damage due to the perils of theft, burglary or mysterious disappearance of an **OUT-DRIVE** unless stored when not in use in a fully enclosed (4 walls and a roof) **OR** locked in a fenced yard at a portion of *your* home or place of residence;
- 8.13. loss or damage due to the perils of theft, burglary or mysterious disappearance, when the *insured craft* is, at the time of loss, on an unsecured trailer that has not been disabled by removing a wheel **AND** attaching a hitch coupler, or while the *insured craft* is anchored or stored at an unsecured unguarded slip, marina, boat dealer, or when under any type of third party bailment or while on unsecured residential or commercial property. Furthermore, there is no coverage hereunder if the *insured craft* is kept on a trailer at a residential property other than *your* property unless the insured trailer is secured and disabled by removing a wheel **AND** attaching a hitch coupler. Coverage is also excluded if the *insured craft* or trailer are left parked on a private or public street, right of way, unguarded docking in a waterway canal and or private slip highway or a private or public parking lot. Mysterious disappearance at sea is not covered hereunder;
- 8.14. loss or damage to the *insured property*, caused by a **NAMED HURRICANE** unless:
- 8.14.1 the *insured property* has been moved under its own power, by trailer or otherwise to a safe anchorage or place of storage outside the predicted path of the **NAMED HURRICANE** **AND**;
- 8.14.2 you have taken all reasonable steps to protect the *insured property* from loss or damage caused by the **NAMED HURRICANE**;
- 8.15. damage to the *insured property* if operated after an accident that might give rise to a claim under *this certificate*, whether covered or not. Further loss due to *your* continued operation of the *insured property* after such accident, which becomes the proximate cause of damage and/or compounds damage, is not covered hereunder;
- 8.16. loss resulting directly or indirectly from ice, freezing or other extremes of temperature;
- 8.17. loss or damage as a result of acts of God, including, but not limited to, a **NAMED HURRICANE**, except as provided in the above Section 8.14, a tornado, cyclone, or a major storm;
- 8.18. loss or damage caused by electricity through malfunctioning electrical equipment, wiring or circuits on the *insured craft*;
- 8.19. loss or damage due to conversion, embezzlement or secretion.

## PART IX - EXCLUSIONS RELATED TO PART IV

*We will not pay any claim for any reason whatsoever for liability incurred to:*

- 9.1 any person employed by *you* or employed by any other person covered by Part IV of *this certificate* in connection with the *insured craft*;
- 9.2 any person on board the *insured craft* in consideration of hire, payment or reward;
- 9.3 any person while the *insured craft* is on shore, being stored or is being transported by any means of conveyance;
- 9.4 any person to or for whom benefits are payable under workmen's compensation or under Federal Longshoremen's and Harbor Workers Compensation Act or any similar legislation;
- 9.5 any person, in being in or upon, or in boarding or leaving the *insured craft*, whom is a trespasser;
- 9.6 any person who is covered by *this certificate*, including any family member of *yours*.
- 9.7 any person from the ownership, maintenance, use, storage or operation of the trailer indicated on the declarations page, if any.

*Furthermore:*

- 9.8 *we will not pay any claim for any reason whatsoever for liability incurred to any person engaged in:*
  - 9.8.1 water-skiing; or
  - 9.8.2 bare-foot skiing; or
  - 9.8.3 aquaplaning; or
  - 9.8.4 parasailing; or
  - 9.8.5 any similar activity;while they are under tow of the *insured craft* or preparing or intended to be, nor for liability incurred by any person engaged outside the *insured craft* in any of these activities unless indicated otherwise on the declarations page;
- 9.9 *we will not pay claim for liability incurred to or by any person engaged in scuba diving from the insured craft;*
- 9.10 *we will not pay claim for any liability assumed under any form of contract whatsoever;*
- 9.11 *we will not pay claim for any fine or penalty nor for any liability for multiple, exemplary or punitive damages;*
- 9.12 *we do not provide uninsured boater coverage:*
  - 9.12.1 for claims settled without *our* written consent; or
  - 9.12.2 if the uninsured craft is owned by a governmental agency or unit; or
  - 9.12.3 for crafts owned or furnished by *you* for *your* regular use or a member of *your* immediate family, or any person otherwise insured by *this certificate*; or
  - 9.12.4 for anyone using the *insured craft* without *your* permission; or
  - 9.12.5 when the *insured craft* in *this certificate* is being chartered; or
  - 9.12.6 where no evidence of physical contact exists between the *insured craft* and the unidentified or uninsured craft; or
  - 9.12.7 directly or indirectly to the benefit of any insured under any state or federal compensation law or act.

## PART X - EXCLUSIONS FOR ALL SECTIONS

*We will not pay any claim for any reason whatsoever:*

- 10.1 for pollution or contamination of any kind;
- 10.2 if the *insured property* is involved in any trial, race, speed contest or any practice thereof unless indicated otherwise on the declarations page;
- 10.3 for any loss or damage or liability caused by or resulting from:
  - 10.3.1 war, whether declared or not, civil war, terrorist activities, riot, insurrection, rebellion, revolution, usurped power or any action taken by governmental authority hindering, combating or defending against such an occurrence or against impending or anticipated attack;

- 10.3.2 seizure or destruction under any quarantine or customs regulations, arrest, restraint, seizure or confiscation by order of any government, public authority, military or police department;
  - 10.3.3 any illegal trade, transportation of the *insured craft*, violation of local or State Motor Vehicle codes and/or other civil or criminal codes of said jurisdiction;
  - 10.3.4 nuclear radiation or reaction or radioactive contamination whether from any weapon of war employing fission or radioactive force, or not, whether in time of peace or war;
- 10.4 if the *insured property* is used in a manner, which requires a special permit or waiver from any government or regulatory body whether, issued or not;
  - 10.5 for any loss or damage or liability resulting from any *insured event* that occurs between the time of official sunset and official sunrise unless indicated otherwise on the declarations page;
  - 10.6 if the *insured property* is used for any unlawful purpose;
  - 10.7 for damage to property, which is not indicated on the declarations page, used by, rented to, or in *your* care custody or control;
  - 10.8 if the *insured craft* is operated for hire, carrying persons for a charge or reward, rental, charter or any other commercial purpose whatsoever, whether by *you* or on *your* behalf or others, unless indicated otherwise on the declarations page;
  - 10.9 if the *insured event* did not occur during the coverage period of *this certificate*;
  - 10.10 if the *insured craft* is operated by anyone other than *you* not listed on the declarations page as an *additional operator*;
  - 10.11 for injury, sickness, disease or death of any person or damage, loss or destruction of any property caused intentionally by *you* or at *your* direction or that of anyone aboard the *insured craft* with *your* permission;
  - 10.12 in the event the *insured property* is left abandoned, deserted, vacant or unattended for more than twelve (12) consecutive hours before or after an *insured event*;
  - 10.13 for alleged losses of clientele, goodwill, loss of profits on anticipated sales or the like or any other direct, indirect, incidental or consequential damages.

#### PART XI - DUTIES FOLLOWING ANY *INSURED EVENT*

Failure to comply with any of the provisions of this Part XI may prejudice *your* claim in total.

- 11.1 In the event of any *insured event* that may give rise to a claim under any section of *this certificate*, *you* must give immediate notice to *us* and/or *our* authorized representative by phone, and in writing, at the address appearing in *this certificate*, as to how, when and where such *insured event* occurred, the identification of any and all property involved and the names and addresses of any and all persons and witnesses involved.
- 11.2 In case of theft or malicious damage *you* must also notify the local police and port authority as soon as reasonably possible and obtain copies of their reports.
- 11.3 *You* must take all reasonable steps to avert or minimize any loss, which would be recoverable under *this certificate*, and to minimize liabilities to third parties. In particular, *you* must not make any admission of liability for salvage or for any liability in respect of which *you* are insured under Part III and if *you* do so, *we* will not be obliged to indemnify *you* in respect of such salvage or other liability. In addition to sums otherwise payable under *this certificate* *we* will pay the *reasonable cost* of any steps which *you* take in accordance with *your* obligations under this Section 11.3 not exceeding 10% of the *insured property value*. Salvage charges, storage fees and any incidental costs, collision attack or defense costs and costs incurred by *you* in contesting liability under Section 4.2 are not covered by *this certificate*.
- 11.4 Claims for repair will be paid only on submission of receipted repair accounts and a discharge form duly signed by *you* or on *your* behalf. Moreover, *you* will have to permit the inspection of damage to the *insured craft* or its equipment before it is disposed of or repaired. Any repairs made prior to *our* written consent may void coverage for said loss or damage.
- 11.5 *You* will permit the examination of any records needed by *us* according to *our* opinion to verify the loss or damage and its related amount.
- 11.6 *You* will promptly forward to *us* any legal paper or notices received in connection with any loss, damage or liability.

- 11.7 You must fully cooperate with us in providing and obtaining any information and evidence and must permit us to take proceedings in your name (but at our expense) to recover compensation or secure an indemnity from any third party in respect of anything covered by this certificate.
- 11.8 If you make any claim, or statement in connection with any claim, which you know to be false or fraudulent, or fail to disclose any material information in connection with a claim, this certificate will be void from its inception and we will be entitled to retain any premium paid.
- 11.9 If your claim is for the cost of repairs, you must obtain and submit to us at least two estimates for those repairs.
- 11.10 You will not assume any obligation, admit any liability or incur any expense for which we may be liable without our written permission, except expenses incurred to protect damaged property from further loss up to 10% of the insured property value;
- 11.11 You will cooperate in the investigation, defense or settlement of any loss, and agree to be examined under oath if requested by us.
- 11.12 Upon your reception of a proof of loss, damage or liability you must return to us within sixty (60) days such proof of loss, damage or liability duly signed and sworn unless we waive in writing this requirement.
- 11.13 **Protection of property:**  
In case of loss or damage, whether or not the loss or damage is covered by this certificate, it shall be lawful and necessary for you, or your factors, servants and assigns, to use, labor and travel for, in about the defense, safeguard and recovery or salvage of the insured property or any part thereof, without prejudice to this certificate, nor shall your acts or our acts in recovering, saving and preserving the insured property in case of loss considered a waiver or an acceptance of abandonment. The expenses so incurred shall be borne by us up to and including 10% of the insured property value. Furthermore, any loss or damage due to your failure to do so shall not be recoverable under this certificate.

#### PART XII - CONDITIONS OF PAYMENT OF LOSS

- 12.1 The insured property is insured at the insured property value at the time of any insured event. We may, at our discretion settle for a loss or damage in money. We may also repair or replace damaged or missing parts with parts of similar type and in equivalent condition subject to the following costs limitations determined as percentages of the amount of insurance indicated on the declarations page in Section A: For crafts less than or equal to 25 feet 60% for hull repairs, 25% for machinery repairs, 20% for outdrive repairs, 15% for electronics repairs, 10% for anchors and miscellaneous repairs; For crafts greater than 25 feet in length 60% for hull repairs, 30% for machinery repairs, 10% for outdrive repairs, 20% for electronics repairs, 10% for anchors and miscellaneous repairs; For sailboats 60% for hull repairs, 20% for machinery repairs, 15% for electronics, 10% for repair of sails, 15% for rigging repairs, 10% for anchors and miscellaneous repairs with all amounts for all losses or damages being subject to the deductible indicated on the declarations page applicable to Section A. Before there is payment for or replacement of the insured property stolen or presumed stolen, we may return it to you, if found, with payment for any physical damage less the applicable theft deductibles, if any, indicated on the declarations page. If the insured property is stolen or presumed stolen and is not found, we may settle for the loss or damage in money or replace the insured property with one of similar type and in equivalent condition, less the applicable theft deductibles, if any, indicated on the declarations page. In the event of an adjudicated covered theft no payment or replacement shall be settled prior to sixty (60) days following the date of the theft. When the estimated cost of the reasonable cost of recovering and repairing the insured property exceeds 70% of the insured property value, we, at our option, may declare the insured property a total loss and settle in money less the applicable deductibles or replace the insured property with one of similar type and in equivalent condition, less the applicable deductibles. Then, at our option, the insured property or salvage becomes our property. If we choose to take the insured property or salvage, you must do any and all things and sign any and all documents in order to give us clear title of property. When we settle for a loss or damage to the insured property or for liability the premium is fully earned.

#### PART XIII - SPECIAL CONDITIONS APPLICABLE TO CRAFT RENTAL CERTIFICATES

All rental crafts listed on the declarations page or any attached equipment lists are covered (hereinafter "Insured Crafts") when in use and operated strictly and solely by the lessee(s) subject to the following conditions:

- 13.1 you must satisfy all conditions of the International Water Safety Foundation craft rental agreement ("CRA"), which must be signed by you as lessor and any lessee(s);
- 13.2 if any lessee fails to comply with the CRA we will provide you legal council up to an amount of \$10,000.00 US to institute any necessary legal actions against any such lessee for recovery of loss or damage for repairs to Insured Crafts;
- 13.3 should legal action undertaken by us to recover loss or damage for repairs be denied in court, we will reimburse you for the loss or damage of repairs to the Insured Crafts;
- 13.4 losses due to theft while any Insured Crafts are rented are not covered under this certificate.

**PART XIV - GENERAL CONDITIONS APPLICABLE TO THIS CERTIFICATE**

**14.1 Arbitration**  
 When you and we fail to agree if coverage exists or fail to agree on the amount of such coverage, each shall on the written demand of either arrange for a separate appraisal. You and we shall then state separately if coverage exists and if coverage exists, the amount of such coverage. If we then fail to agree on a settlement, each of us must submit their differences to an umpire (the "Umpire") selected by the Insurance Arbitration Bureau International (Quebec), a duly incorporated company having its head office and principal place of business in Montreal, Quebec, Canada. Arbitration must be governed in accordance with the rules and the laws of the country of Insurance Arbitration Bureau International (Quebec) and must be held at the offices of the Umpire or any other agreed site. You and we shall each bear equally the expenses of the ARBITRATION. Decision of the Umpire is final and binding upon all parties. The terms and conditions of this ARBITRATION provision must also apply when either you or we elect to invoke the arbitration provisions of the NORTH AMERICAN FREE TRADE AGREEMENT.

**14.2 Assistance and cooperation of the Insured**  
 You shall cooperate with us and, upon our request, attend hearings and trials and assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses in the subject matter of this certificate.

**14.3 Binder period**  
 This certificate is valid for the binder period indicated on the declarations page extending a temporary coverage for this certificate providing payment is sent by you and post-marked within the binder period.

**14.4 Cancellation**  
 This certificate may be cancelled by you or premium finance company by mailing to us written notice thereafter such cancellation shall be effective. We may cancel this certificate by mailing to you at the address indicated on the declarations page written notice stating that cancellation shall be effective as of the date of notice. The mailing of notice as aforesaid shall be sufficient proof of notice and the effective date of cancellation stated in the notice shall become the end of this certificate coverage period. Delivery of such written notice either by you or by us shall be equivalent to mailing. In all cases when this certificate is cancelled earned premium shall be computed in accordance with the short rate table contained herein. Premium adjustment may be either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation. Non-payment of any premiums when due will be considered by us as your request for cancellation. This cancellation is to be effective as of the date the unpaid premium is due.

**CANCELLATION TABLE**

DAYS IN FORCE	% TO BE CHARGED/RETAINED	DAYS IN FORCE	% TO BE CHARGED/RETAINED
1-10	10%	51-60	60%
11-20	20%	61-70	70%
21-30	30%	71-80	80%
31-40	40%	81-90	90%
41-50	50%	91+	100%

**14.5 Change of ownership**  
 Subject to Section 14.27 this certificate will automatically cease immediately if you cease to be the insured craft's owner or, if you are a company, trust or corporation, there is a change in control of the company, trust or corporation including a change of legal or beneficial ownership of a controlling shareholding.

**14.6 Changes**  
 Notice to any broker or knowledge possessed by any broker or by any other person shall not effect a waiver or a change in any part of this certificate, nor shall the terms of this certificate be waived or changed, except by endorsement issued to form a part of this certificate.

**14.7 Coverage limitations**  
 Coverage is provided for any insured event that occurs and which is first reported to us during the coverage period of this certificate as indicated on the declarations page while the insured craft is afloat within the navigational limits on shore or being transported on land unless indicated otherwise on the declarations page.

**14.8 Coverage period**  
 This certificate is valid for the coverage period indicated on the declarations page unless cancelled or terminated according to the terms and conditions herein and subject to Section 14.4. If the declarations page indicates a coverage period of less than twelve (12) months in commission subject to any relevant provision indicated on the declarations page this certificate is valid for the balance of the coverage period provided that the insured craft is laid up out of commission and not ready for immediate use with all moveable gear and equipment locked in a cabin or storage compartment aboard or ashore.

- 14.9 **Declarations page**  
The declarations page, which *you* have completed or which has been completed on *your* behalf and signed by *you*, forms the basis of the contract between *you* and *us*. *You* guarantee the accuracy of the information mentioned in the declarations page form. If any of the information is materially untrue or if any *material information* is omitted, we have the option to void *this certificate* from its inception.
- 14.10 **Due diligence**  
*You* must at all times exercise *due diligence* to keep the *insured craft* in a *seaworthy* condition, to see that it is properly fitted with all prudent safety equipment and to keep that equipment in good working order and to ensure that when left unattended it is properly moored and its accommodation and storage compartments are secured and locked, and to prevent pollution or the risk of pollution following damage to the *insured craft*.
- 14.11 **Examination under oath**  
*You*, as often as may be reasonably required, shall exhibit to any person designated by *us* all that remains of any property herein described and shall submit, and cause *your* employees, members of the household and others to submit, to examinations under oath by any person named by *us* and subscribe the same and as often as may be reasonably required. *You* shall also produce for examination all writings, books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by *us* or *our* representatives and shall permit extracts and copies hereof to be made. Neither such examination under oath or examination of books or documents, nor any other act of *ours* or *our* representatives in connection with the investigation of any claim hereunder, shall be deemed to have been made or done without prejudice to *our* liability.
- 14.12 **Horsepower**  
It is hereby guaranteed and promised by *you* and made a condition upon which *this certificate* is written that the total horsepower of the *insured craft* does not exceed the manufacturers recommended maximum horsepower.
- 14.13 **Jurisdiction**  
Action, suit or proceeding for the recovery of any claim under *this certificate* can not be brought against *us* in any court whatsoever of admiralty, law, or equity except through binding arbitration providing that *you* shall have fully complied with all the terms of *this certificate* and providing that such process of arbitration shall be commenced within twelve (12) months following discovery by *you* of the *insured event*. Nothing contained in *this certificate* shall give any person or organization any right to join with *us* in any action against *you* to determine *your* liability. Nothing contained in *this certificate* shall give any person or organization any right to join with *you* in any action against *us* to determine *our* liability. Bankruptcy or insolvency of *you* or of *your* estate shall not relieve *us* of any of *our* obligations herein.
- 14.14 **Legality**  
It is a condition of *this certificate* that *you* and any *additional operator* comply with any relevant laws and ensure that the *insured craft* conforms in all respects with any applicable safety regulations and obtain any permits or licenses required by the law of any countries having jurisdiction over the waters in which the *insured craft* is navigated.
- 14.15 **Misrepresentation and fraud**  
*This entire certificate* shall be null and void if, whether before or after any *insured event*, *you* have concealed or misrepresented any *material information*, fact or circumstance concerning *this certificate* or the subject thereof, or the interest therein, or in any case of fraud or false swearing by *you* relating thereto.
- 14.16 **Navigation and use**  
The *insured craft* is covered while within the *navigational limits* while anchored, moored or navigating, including while aground at its customary berth, at a place of storage ashore, including lifting out and launching, while being moved within a shipyard or marina, while being dismantled, fitted out, refitted, overhauled, undergoing normal maintenance or survey, but not while being used as a houseboat or undergoing major repairs or alteration unless indicated otherwise on the declarations page.
- 14.17 **No benefit to bailee**  
No third person or organization including, but not limited to, a marina, boat dealer, repair shop, carrier or other bailment and having care, custody or control of the *insured craft* shall benefit directly or indirectly and for any reason whatsoever from *this certificate*.
- 14.18 **Notices**  
Any notice, which *you* are required to give *us*, must be given by letter, fax or email. Any notice which we are required to give *you* must be given by letter, fax or email sent to *you* at the address indicated on the declarations page.

- 14.19 **Other insurance**  
If, at the time of any *insured event*, there is any other valuable and collectable insurance which would have been applicable if *this certificate* had not been effected, *this certificate* shall apply only in excess of such other valid and collectable insurance and in no event as a contributing insurance and then only after all such other insurance has been exhausted by payment for any loss, damage or liability. This Section also applies to any third party insurance, where any third party or bailee would be responsible for any loss, damage or liability.
- 14.20 **Private pleasure**  
The *insured craft* must only be used for *your* own private pleasure purposes or those of any competent person listed as *additional operator(s)* and not in consideration of any hire or reward unless we have specifically agreed in writing in advance that the *insured craft* may be used for other purposes and *you* have agreed to pay any additional premium which we require. If we agree under this Section 14.20 that the *insured craft* may be used for hire or reward the *insured craft* must at all times be under the supervision of *you* or an *additional operator* and must at all times while under way, be under the command of *you* or an *additional operator*.
- 14.21 **Proper law**  
*This certificate* shall be governed by, construed and interpreted in accordance with the laws of England.
- 14.22 **Settlement of loss**  
All adjusted claims shall be paid or made good to *you* within sixty (60) days after presentation and acceptance of satisfactory proof of interest and loss at *our* offices.
- 14.23 **Severability of interests**  
The term "*you*" is used severally and not collectively but the inclusion herein of more than one insured shall not operate to increase the limits of *our* liability.
- 14.24 **Single-handed sailing**  
The *insured craft* must only be sailed between the hours of sunrise and sunset local time and only for a cumulative total of fifty (50) nautical miles per day unless indicated otherwise on the declarations page.
- 14.25 **Subrogation or loan**  
If in the event of loss or damage to the *insured craft* *you* shall acquire any claim or right to action against any individual, firm or corporation, *you* will, if requested by *us* assign and transfer any such claim or right of action to *us* and, at *our* option, execute and deliver to *us* the customary form of loan receipt upon receiving an advance of funds in respect of the said loss or damage. *You* will subrogate *us* to or will hold in trust for *us* any and all such right of action and will permit suit or arrest to be brought in *your* name under the direction and at *our* expense. Failing this, *we* shall not be liable to *you* for any such loss or damage sustained. *You* may not, before or after loss or damage, by contract or any other means, with any third party(ies), take any action that would waive the underwriters rights to subrogation; such action by *you* shall waive any coverage arising out of the said claim related to *your* action.
- 14.26 **Transfer**  
Neither *you* nor anyone insured hereunder can transfer an interest in *this certificate* without *our* written consent and/or *our* authorized representative's consent.
- 14.27 **Transit**  
The *insured property* (excluding *personal effects*) is covered while in transit by *you* on road, on journeys, which both start and finish on land immediately next to the geographic limits set out on the declarations page and during loading and unloading. *We* will not pay claim arising in the course of transit for scratching, bruising and/or denting or for any liability to any third party. If the *insured craft's* length overall is 28 feet (8.53 meters) or more every transit (including loading and unloading) shall be conducted strictly and solely by a professional haulier.

In Witness whereof, we have caused *this certificate* to be executed, attested and underwritten by  
NORTH AMERICAN MARINE & GENERAL INSURANCE COMPANY, LTD.  
FOR THE INTERNATIONAL WATER SAFETY FOUNDATION.

REV. 07/02



# IWSF

International Water Safety Foundation

North American Representative Office  
905 Michèle-Bohec Blvd., Suite 204  
Blainville (Québec) J7C 5J6, Canada  
Phone: 1-888-346-4673  
Fax: 1-888-346-4674  
www.iwsf.us

Dear Member:

Payment for your Group Wet Ocean Marine or Group Snow-craft insurance benefit certificate has been received in full. Enclosed is a copy of your insurance benefit master policy and declarations page.

The coverage period for your insurance benefit is shown on the upper right hand corner of the certificate.

A renewal will be offered before the expiration date of your certificate.

In the event of an accident please contact the Claims Management Company, Water Safety Services, at 1-450-430-1733.

Please do not hesitate to call our toll free number with any questions you may have.

*Have a great and safe season.  
Always remember "Safety is no accident!"*

**International Water Safety Foundation**  
**1-888-346-4673**

**HOME OFFICE**

Helena House, The Esplanade, Sandgate, Kent. CT20 3DX, England



# IWSF

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905 Michèle-Bohec Blvd., Suite 204  
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Phone: 1-888-346-4673  
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[www.iwsf.us](http://www.iwsf.us)

## RESPONSIBLE OWNERSHIP

Dear Member:

Boating safety is no accident but is the end result of prudent, sensible operation of the vessel on land and sea. Remember only you can prevent accidents.

We want to take this opportunity to remind you that the boat insured under our group policy with NORTH AMERICAN MARINE GENERAL INSURANCE COMPANY LTD., is still your boat, NOT ours. As a boat owner, it is your responsibility to be a safe operator when on the water. Responsible ownership also includes the proper upkeep and maintenance of your boat at all times so that it is always a safe and seaworthy craft. Safe operation of your boat must also include the use of Personal Flotation Devices as recommended by the United States Coast Guard, EPIRBs, flares and have a first aid kit at hand when at sea or in port.

Another vital concern is the protection of your boat from the elements, particularly hurricanes, storms and protection from vandals, marauders, and thieves. How do you do that? We strongly recommend that you use extreme vigilance. Lock up your vessel whenever not in use and store it in a guarded area or compound. Disable the trailer and use an approved alarm system to protect it from thieves and vandals.

We are pleased to enclose your BROAD FORM MARINE CERTIFICATE with this letter. Please note that your certificate, like all policies, contains exclusions, restrictions and conditions that restrict and limit when, where, and for what you are covered. YOU SHOULD READ YOUR CERTIFICATE NOW while it is uppermost in your mind. We would call your particular attention to the exclusions found on pages 4, 5, 6 and 7 and your duties following a loss found on pages 7 and 8.

You are reminded that in order to ensure coverage for your vessel from the perils of theft and hurricanes you are required to take certain steps in the storage, removal and security of your boat. If it is a Personal Water Craft it must be locked and kept inside.

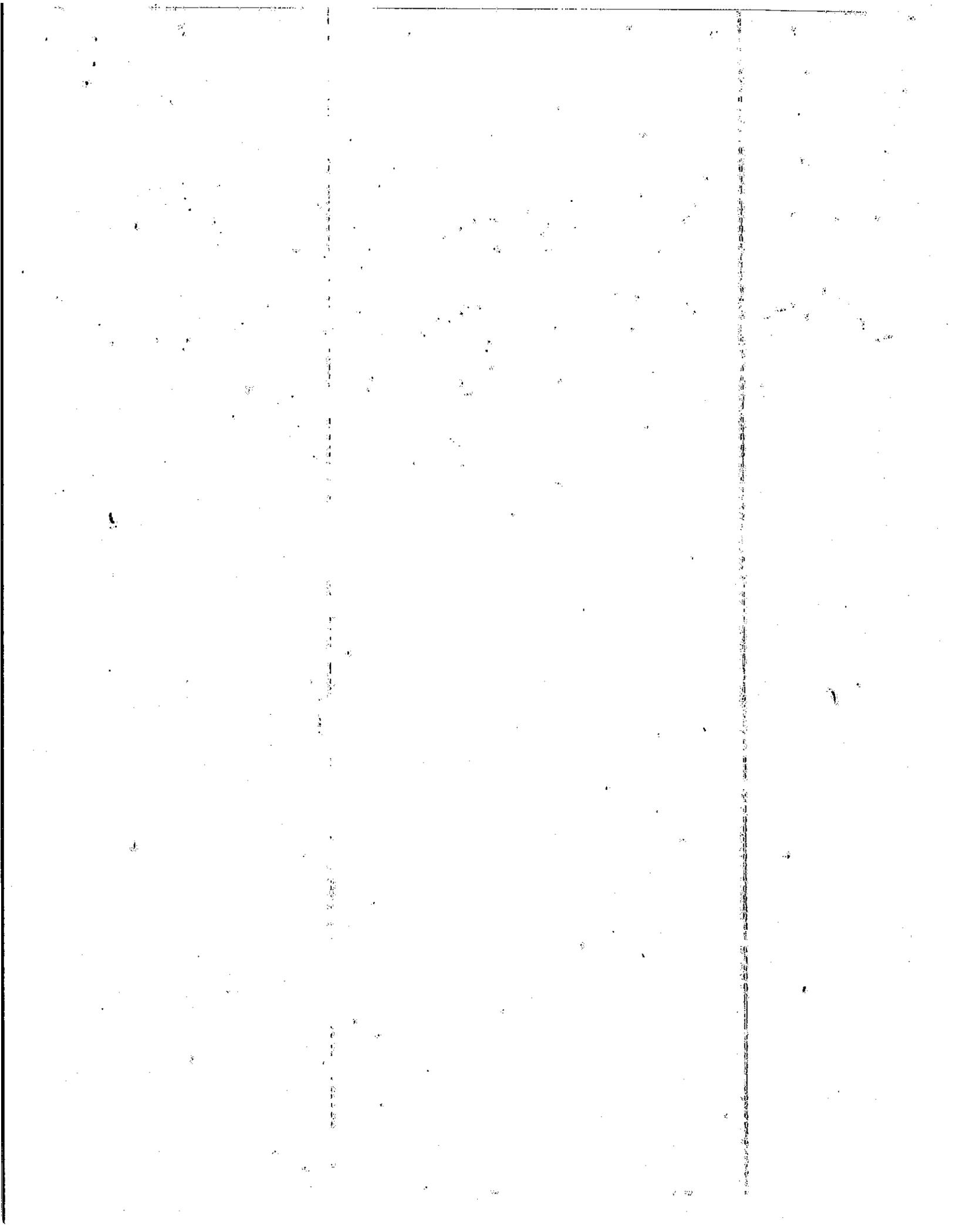
To report a claim, please call Water Safety Services immediately at 1-450-430-1733.

With close attention to these safety tips, we know you will enjoy your time on the water.

**HAPPY BOATING!**

HOME OFFICE

Helena House, The Esplanade, Sandgate, Kent. CT20 3DX, England



BINDER NUMBER  
SFB19786NEW



CERTIFICATE IS ISSUED UNDER IWSP  
JMMP-010977 AND UNDERWRITTEN BY  
NORTH AMERICAN MARINE &  
GENERAL INSURANCE CO. LTD.

# INTERNATIONAL WATER SAFETY FOUNDATION GROUP WET OCEAN MARINE MASTER POLICY

Binder Period  
10/03 To 10/13

Policy No. [REDACTED]

Certificate No

DECLARATIONS

Recruiter: 9824A

SFC19786

Named Insured and Address  
ISLAND JET SKI RENTAL

1450 BEACH RD  
ENGLEWOOD, FL - 34224

Phone (941) 474-1168

COVERAGE PERIOD

From: 10/03/2002

To: 10/03/2003

Rental

Coverage is provided only where an amount for insurance or premium is indicated

SECTION	COVERAGES	AMOUNT	PREMIUM	DEDUCTIBLE
A	Insured Craft	\$0.00	\$0.00	\$0.00
A2	Personal Effects	\$0.00	\$0.00	\$0.00
B	Liability: Per Person: \$300,000.00 Per Accident: \$1,000,000.00 Annual Aggregate:	\$1,000,000.00	\$2,475.00	\$500.00
B2	Uninsured Boater Coverage	\$0.00	\$0.00	\$0.00
C	Medical Payments	\$0.00	\$0.00	\$0.00
D	Trailer	\$0.00	\$0.00	\$0.00
E	Towing Coverage	\$500.00	\$0.00	\$0.00
F	Membership Fee		\$25.00	
	Total		\$2,500.00	
	*Add 1.10% deductible for total theft / FL. res. add 20%			
G	<b>Insured Craft Description</b> Year: N/A Length: N/A Model: N/A Motor Info: Count: 0 Fuel: G Built By: SEE ATTACHED ENDORSMENT #4 FOR EQUIPMENT LIST Yr: N/A HP: N/A Train: PW Serial No: N/A Manufacturer: N/A N/A Motor #1 Serial No: N/A Motor #2 Serial No: N/A Motor #3 Serial No: N/A Trailer Description:			
H	<b>Loss Payee:</b> <small>Any loss or damages hereunder are payable as interest may appear to the named insured and any listed Loss Payee</small>		<b>Loss Payee Name:</b> NONE <b>Loss Payee Address:</b>	
I	<b>Lay Up Warranty</b> Warranted that the craft(s) shall be laid up and out of commission at: FL From: NONE To: N/A		<b>Crafts are secured how and where when not in use?</b> SECURED MARINA <small>When not in use crafts must be on a disabled trailer by attaching a hitch coupler AND removing a wheel OR crafts must be kept indoors, in storage, behind locked gates, or locked lifts. Crafts on trailers must be in a secured marina or home unless stated otherwise in comments. Personal Watercrafts must be locked indoors unless stated otherwise in comments.</small>	
J	<input checked="" type="checkbox"/> Inland lakes and rivers of the Continental United States and Canada. <input checked="" type="checkbox"/> Atlantic Coastwise waters from Eastport, Maine to Pensacola, FL, up to 12 nautical miles offshore. <input type="checkbox"/> Great Lakes and up to 12 nautical miles offshore. <input type="checkbox"/> Pacific coastal waters not north of Vancouver Island and not south of Point Banda, Mexico up to 12 nautical miles offshore. <input checked="" type="checkbox"/> Gulf Coast from Pensacola, Florida to Brownsville, Texas up to 12 nautical miles offshore. <input type="checkbox"/> Hawaiian waters up to 12 nautical miles offshore.			<b>Navigational Limits</b>

1. Named Insured's business or occupation:

RENTAL

2. Named Insured's age:

2.a. Drivers licence number:





STATE OF FLORIDA

AFFIDAVIT

COUNTY OF CHARLOTTE

NAME: Brian D. King

I AM A white male.

DOB: [REDACTED]

DL#: K [REDACTED]

RESIDENCE ADDRESS: [REDACTED] Nokomis, FL 34275

BUSINESS ADDRESS: 1450 Beach Road, Englewood, FL 34224

EMPLOYER'S NAME: Island Jet Ski Rental

OCCUPATION: Owner

RESIDENCE PHONE: [REDACTED]

BUSINESS PHONE: (941) 474-1168

RE: International Water Safety Foundation

PAGE 1 OF 2

On or around September 1, 2002 I called a number of insurance agencies for quotes on wave runner insurance. Most insurers called back and said they don't cover wave runners. I called Marketing Assistance Plan of DOF and they gave me four to five insurance agents to call. None of them would cover me. I called La Castro Insurance in Venice, Florida to seek coverage. Stacey Woods, who worked at La Castro, tried for several weeks to find a carrier but could not. I went to the office and talked to Lenny La Castro in early September. He called me back mid September with a possible source out of Canada. I had some concerns and held a telephone conference call with Fish and Wildlife officials, Shelly Garr and Lenny La Castro, to make sure the policy would meet safe boating license requirements. The Fish and Wildlife people wanted to see the documents to verify. The International Water Safety Foundation mailed them a copy of the policy. I purchased the policy through La Castro before the conference call with Fish and Wildlife. The policy was issued by the International Water Safety Foundation of Quebec Canada. I was concerned about the validity of the policy and called the corporate office of International Water Safety Foundation and was assured by their people they were legitimate. I do not remember their names. Lenny La Castro indicated to me that they were ok to do business with. Another insurance agent told me the International Water Safety Foundation might not be legitimate to do business with in the United States. The agent was one of the referrals from the Department of Insurance. I do not remember his name. I have paid two installments for one year's worth of coverage \$1,666.68 of 1 million dollar liability and Fish and Wildlife as additional insurer. Lenny La Castro gave me the policy forms and I filled them out. I sent in the policy application myself. Lenny La Castro did not sign any of the forms or applications of the International Water Safety Foundation.

DATE January 7, 2003

INITIALS S.B.K.



People who should always know how to contact me if my address or phone number should change:

Sharon King, my wife at the same address and telephone number.

AFFIANT HAS READ THE ABOVE STATEMENT CONSISTING OF 2 PAGE(S) AND DECLARES AT THIS TIME THE EVENTS AS STATED ARE CLEAR IN HIS (OR HER) MIND AND THAT THE STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF HIS (OR HER) KNOWLEDGE AND BELIEF. AFFIANT IS WILLING (IS NOT WILLING) TO APPEAR AT A HEARING.

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS 7<sup>th</sup> DAY OF January 2003, BY Brian King WHO PRODUCED FL. Dr. Lic. #K [REDACTED] (AFFIANT) FOR IDENTIFICATION PURPOSES AND WHO DID TAKE AN OATH.

Brian D. King  
(AFFIANT'S SIGNATURE)

Subscribed and sworn to before me this 7<sup>th</sup> day of January 2003.

Rodolfo Madrigal  
Notary Public, State of Florida at Large  
My Commission expires: \_\_\_\_\_ Certificate #: \_\_\_\_\_



I purchased the policy <sup>through Bill</sup> from Lenny La Castro before  
 the conference call. <sup>with fish and wildlife</sup> The policy was issued by the International  
 Water Safety Foundation of Quebec Canada. I was  
 concerned about the validity of the policy and called  
 the corporate office of IWSF and was assured by their  
 people they were legitimate. I do not remember their names.  
 Lenny La Castro indicated to me that they were ok to  
 do business with. An IWSF insurance agent told me the IWSF  
 might <sup>not</sup> be legitimate to do business in the United States.  
~~Agent is Agent~~ <sup>Bill</sup> The Agent was one of the referrals from  
~~Bill~~ <sup>DOB</sup> ~~and Wildlife~~; I do not remember his name. I have paid  
 two installments for one year's worth of coverage \$1666.66  
 of 1 million dollar liability and runs fish and wildlife as  
 additional insured. Lenny La Castro gave me the policy forms  
 and I filled them out. I sent in the policy application myself.  
 Lenny La Castro did not sign any of the forms or applications  
 of the IWSF.

DATE 1-7-03

INITIALS B.V.

People who should always know how to contact me if my address or phone number should change:

Sharon King my wife at same address and phone  
numbas

AFFIANT HAS READ THE ABOVE STATEMENT CONSISTING OF      PAGE(S) AND DECLARES AT THIS TIME THE EVENTS AS STATED ARE CLEAR IN HIS (OR HER) MIND AND THAT THE STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF HIS (OR HER) KNOWLEDGE AND BELIEF. AFFIANT IS WILLING (IS NOT WILLING) TO APPEAR AT A HEARING.

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS 7<sup>th</sup> DAY OF January 20, 03, BY Brian King WHO PRODUCED FL Drivers License #  
(AFFIANT)

K [REDACTED] FOR IDENTIFICATION PURPOSES AND WHO  
WILL TAKE AN OATH.

Brian D. King  
(AFFIANT'S SIGNATURE)

Subscribed and sworn to before  
me this 7<sup>th</sup> day of January 2003

[Signature]  
Notary Public, State of Florida



Rodolfo Madrigal  
COMMISSION # DD133694 EXPIRES  
JULY 14, 2006  
BONDED THRU TROY FARM INSURANCE, INC

Certificate #:



# LoCastro Insurance Services, Inc.

September 17, 2002

IWSF

North American Representative Office  
905 Michele-Bohec Blvd, Suite 204  
Blainville (Quebec) J7C, Canada

Attn: Alex, Commercial Underwriting  
Re: Jet Ski Rental Coverage / Agency Appointment

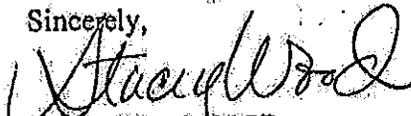
Dear Alex,

Along with this letter, on company letterhead as you requested, I have sent to you the ACORD forms, loss runs, MVR's, as well as a supplemental application from another company.

This morning I made the attempt to contact Brian King, owner of Island Jet Ski Rentals & Tours. He is unavailable at this time and I am certain that I will hear from him later in the day. At this point I do not have id numbers for the jet skis, although I will have this for you prior to binding.

I appreciate all of your efforts in this matter. As I briefly told you over the phone, this product has been hard to find lately. Thank you, again. I will be looking forward to hearing from you.

Sincerely,

  
Stacey Wood, CPSR

EXHIBIT

K

# Recruiter Fees Payable For Referring Members To I.W.M.S.F.

AGENT

LEN LO CASTRO III  
 LO CASTRO INSURANCE SVC INC  
 100 W VENICE AVE # K  
 VENICE  
 FL 34284 USA

CHECK

Recruiter Code	Effect Date	Reference To Member	Total Fee Payable For Referred Member	Fees Already Paid	Payable Now
9824A	10/3/2002	ISLAND JET SKI RENTAL	\$375.00	\$0.00	\$187.50
		With Cert # 19786			
Summary for 'RecruiterCode' = 9824A (1 detail record)					
Sum			\$375.00	\$0.00	\$187.50

PAYABLE IN US THROUGH THE MANHATTAN, BRONX AND BROOKLYN COLLECTION ARRANGEMENT AT ROYAL BANK OF CANADA, NEW YORK BRANCH

2263

**WATER SAFETY SERVICES**  
 905, BOUL. MICHELE-BOHEC, SUITE 204  
 BLAINVILLE (QUEBEC) J7G 5J6

1-409/260

MM/DD/YY; 12/5/2002  
 DATE

PAYEZ LO CASTRO INSURANCE SVC INC  
 à l'ordre de

\$ 187.50

THE SUM IS 187.50



BANQUE ROYALE DU CANADA  
 SUCCURSALE PRINCIPALE  
 1 PLACE VILLE-MARIE  
 MONTREAL QC H3C 3B6 00001-003

100 DOLLARS  
 WATER SAFETY SERVICES

PAR

PAR

POUR

RECRUITER CODE: 9824A

⑈002263⑈ ⑆026004093⑆0001⑈3086⑈2⑈

DEBORAH SENN  
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON



OFFICE OF  
INSURANCE COMMISSIONER

ROWESIX - BUILDING 5  
P.O. BOX 40257  
OLYMPIA, WA 98504-0257  
Phone: (360) 753-7300  
Fax: Operations - (360) 438-7630  
Licensing - (360) 438-7629

*In the Matter of*

The International Marine Safety  
Foundation.

No. D 98 - 50

ORDER TO CEASE AND DESIST

TO: The International Marine Safety Foundation  
1, Place du Commerce, Suite 235  
Verdun  
Quebec, Canada H3E 1A4

IT IS ORDERED AND YOU ARE HEREBY NOTIFIED to cease and desist the solicitation and transaction of insurance in the state of Washington, pursuant to RCW 48.02.080.

THIS ORDER IS BASED UPON THE FOLLOWING GROUNDS:

1. The International Marine Safety Foundation has solicited one or more persons in Washington to purchase insurance affecting subjects located wholly or in part in Washington, and to be performed in Washington. IMSF is not licensed as an agent or broker in Washington. The solicitation violates RCW 48.17.060.
2. IMSF purports to place the insurance sold with North American Marine General Insurance Co. Ltd. That company is not authorized to transact insurance in the State of Washington. That company is not eligible as a surplus line insurer under RCW 48.15.090. The solicitation violates RCW 48.15.020.

Subject to a demand for hearing made pursuant to RCW 48.04.010 and chapter 34.05 RCW, this Order shall remain in effect pending the further Order of the Commissioner.

ISSUED AT LACEY, WASHINGTON, this 31st day of August, 1998.

DEBORAH SENN  
Insurance Commissioner

By

Handwritten signature of William E. Frandsen in black ink.

WILLIAM E. FRANSEN  
Deputy Commissioner



BEFORE THE IOWA DEPARTMENT OF INSPECTIONS AND APPEALS  
DIVISION OF ADMINISTRATIVE HEARINGS

IN THE MATTER OF

INTERNATIONAL MARINE WATER  
SAFETY FOUNDATION AKA  
INTERNATIONAL MARINE SAFETY  
FOUNDATION

RESPONDENT

ORDER FOR  
DEFAULT

Docket No: 02DOCLD0051

The undersigned has reviewed the Motion for Default made by the Iowa Insurance Division (the "Division") requesting that an Order be issued finding International Marine Water Safety Foundation (AKA International Marine Safety Foundation (hereinafter "Respondent") in default, pursuant to Iowa Administrative Code section 191-3.22, in that Respondent has failed to appear or participate in a contested proceeding after proper service of notice. The matter has been set for hearing, and proper notice of such hearing has been sent by restricted, certified mail to Respondent, and also has been sent by first-class mail. The certified mail was delivered and signed for on 4/10/02.

Iowa Administrative Code section 191-3.5(3) states: "An answer shall be filed within 20 days of service of the notice of hearing unless otherwise ordered." Iowa Administrative Code section 191-3.22(1) states: "If a party fails to appear or participate in a contested case proceeding after proper service of notice, the presiding officer may, if no adjournment is granted, enter a default decision or proceed with the hearing and render a decision in the absence of the party."

Proper service of notice occurred in this contested proceeding. Respondent has failed to file an answer within 20 days of service of notice, as required by Iowa Administrative Code section 191-3.5(3). By failing to file an answer as required, Respondent have failed to participate in this contested case proceeding after proper service of notice.

The Division alleged in its Statement of Charges that Respondent acted as an unauthorized insurer, engaged in unlawful insurance practices and failed to respond to a Division subpoena.



Iowa Code Section 507A.2, 507A.8 and 507A.10 (2001) allows the Commissioner to order a person to cease and desist the unauthorized business of insurance in the state of Iowa. The Commissioner further is empowered to assess a civil penalty of not more than \$50,000 against the person or insurer. Iowa Code Section 507A.10.

### ORDER

NOW THEREFORE, it is Ordered:

1. That the Order To Cease And Desist issued by the Commissioner on 4/1/02 become final.
2. ~~That Respondent International Marine Water Safety Foundation (A/K/A~~  
International Marine Safety Foundation, its principals, officers, directors, agents, representatives, and affiliates shall cease and desist from the offer or sale of, aiding and abetting the offer or sale of, and participating in the operation of an unauthorized insurer in the State of Iowa or any other activities in violation of Iowa Code Chapters 507A, 507B and 515 (2001).
3. Respondent shall pay to the Division a civil penalty in the amount of \$50,000.

Date

May 1, 2002

*Mart A. Lavin*

Administrative Law Judge

ORIGINALS SENT BY CERTIFIED RESTRICTED MAIL AND BY FIRST CLASS MAIL  
TO:

International Marine Water Safety Foundation  
AKA International Marine Safety Foundation  
905 Michele-Bohec Blvd. Suite 204  
Blaineville, Province of Quebec  
Canada J7C-5JC

*- Certified and First Class Mail*

### RESPONDENT

Copies to:

DIA Hearing File  
Martin Francis, Administrative Law Judge  
Department of Inspections and Appeals  
Lucas State Office Building  
Des Moines, IA 650319-0083  
Telephone: (515) 281-6966  
Facsimile: (515) 281-4477

Wayne Lacher  
Consumer Affairs Bureau  
IID  
LOCAL  
Telephone: (515) 281-4746  
Facsimile: (515) 281-3059

STATE OF OREGON  
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
INSURANCE DIVISION

JAN 9 2003  
BUREAU OF SPECIALTY INSURERS

In the Matter of International Water Marine Safety Foundation. ) CEASE AND DESIST  
) ORDER  
) Case No. INS 02-10-009

The Director of the Department of Consumer and Business Services (director) hereby issues this cease and desist order, pursuant to Oregon Revised Statutes (ORS) 731.252, to International Water Marine Safety Foundation (IWMSF) because the director has reason to believe that IWMSF has violated, is violating, or is about to violate the Insurance Code as specified herein.

**Findings of Fact**

Licensing

IWMSF has never been licensed in Oregon as an insurance agent. IWMSF was formerly known as International Marine Safety Foundation. IWMSF's international headquarters' is purportedly located at 10 Golden Square, London, England, W1R 3AF, and telephone number is 011-44-171-434-1951; and fax number is 011-44-171-494-1154. IWMSF's North American division is purportedly located at 905 Michele-Bohec Boulevard, Suite 204, Blainville, Quebec, Canada, J7C 5J6; its telephone number is 888-346-4673, and its fax number is 888-346-4674.

North American Marine General Insurance Company, Ltd. (NAMGIC) has never been licensed in Oregon as an insurer or qualified as an eligible surplus lines insurer in Oregon. NAMGIC's principal mailing address is purportedly PO Box 6-1097 El Dorado, Panama City, Republic of Panama.

Transacting Insurance as an Agent Without a License and Transacting Insurance as an Agent for an Unauthorized Insurer

IWMSF violated ORS 744.051(1)(a) (1999) and ORS 746.310(1) in five instances by engaging in the following conduct. From 12/20/99 to 11/29/01, IWMSF, on behalf of NAMGIC, sold to five persons, who resided in Oregon, snowcraft and watercraft



property and casualty insurance provided by NAMGIC under one of two master policies, number GWOMMP 010975 for watercraft, and number GWOMMP 010976 for snowcraft, issued by NAMGIC to IWMSF. IWMSF sold the insurance by soliciting licensed insurance agents to sell the insurance to consumers, receiving from the agents applications and premiums for the insurance, and issuing binders and certificates of insurance to the insureds. The name and location of the insured, date of the certificate, certificate and policy number relative to each transaction is as follows:

Insured	Location	Date	Certificate No.	Policy No.
Frank Hoblit	Klamath Falls, OR	12/20/99	SFC17909	
Kevin A. Marshall	Corvallis, OR	12/31/00	SFC18506	
Shaun Carpenter	Gold Beach, OR	12/31/00	SFC18507	
Vincent S. Gwillin	Monroe, OR	4/11/01	SFC18736	
Richard M. Van Hook	Gold Beach, OR	11/29/01	SFC19203	

**Order**

IWMSF shall immediately cease and desist from violating the above provision(s) of the Insurance Code pursuant to ORS 731.252.

**Notice of Opportunity for Hearing and Judicial Review**

The party is entitled to a hearing. If a party wants a hearing, then the party must send to the Insurance Division a written request for a hearing. The party may send the request by delivering or mailing it to the Insurance Division at 350 Winter Street NE, Room 440, Salem, Oregon, 97301-3883; or faxing it to 503-378-4351; or e-mailing it to mitchel.d.curzon@state.or.us. The Insurance Division must receive the written request within 20 calendar days after the date this notice was sent to the party.

If the Insurance Division receives from or on behalf of a party a written request by the due date, then the Insurance Division will refer the request to the Hearing Officer Panel (HOP). HOP will schedule the hearing and notify the party of the date and location of the hearing and other related information. A hearing officer of HOP will conduct the hearing and issue a proposed order. The hearing will be conducted in accordance with the Oregon Administrative Procedures Act, ORS

Chapter 183; and the Attorney General's Model Rules, OAR 137-05-0501 *et seq.* A party that is an individual may represent him or her self at a hearing; or may be represented by an attorney licensed in Oregon. A party that is a corporation, partnership, limited liability company, unincorporated association, trust, or government agency must be represented at a hearing by an attorney licensed in Oregon except as otherwise provided by law.

If the Insurance Division does not receive from or on behalf of a party a written request for a hearing by the due date, then this order will become final by default. If this order becomes final by default, then the designated portion of the Insurance Division's investigation file on the party automatically becomes part of the contested case record upon default for the purpose of proving a prima facie case.

Also, if this order becomes final by default, then the party may request the Oregon Court of Appeals to review this order pursuant to ORS 183.480 and 183.482 by filing a written petition for judicial review with the court within 80 calendar days after the date this order was sent to the party.

Dated OCT 18 2002

  
Mary C. Neidig

Director  
Department of Consumer and Business Services

//  
//  
//

No. **00-1021**

**OFFICIAL ORDER**  
*of the*  
**COMMISSIONER OF INSURANCE**  
*of the*  
**STATE OF TEXAS**  
**AUSTIN, TEXAS**

Date: SEP 01 2000**Subject Considered:**

North American Marine General Insurance Co. Ltd.  
P.O. Box 6 - 1097, El Dorado  
Panama, Republic of Panama

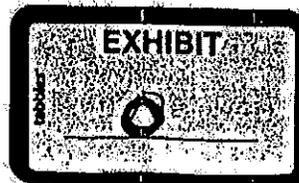
DOCKET NO. D-00-0871  
SOAH DOCKET NUMBER 454-00-1695.D

**General remarks and official action taken:**

On this date came on for consideration by the Commissioner of Insurance, the matter of whether International North American Marine General Insurance Co. Ltd. ("North American") should be fined and ordered to cease and desist from conducting any further insurance related activities in the State of Texas. It is alleged that North American violated the insurance laws of the State of Texas by engaging in the unauthorized business of insurance. Such conduct constitutes grounds for disciplinary action pursuant to TEX. INS. CODE ANN. §101.102, §101.103, §101.105, and §101.151.

The Commissioner of Insurance has jurisdiction over this matter pursuant to TEX. INS. CODE ANN. §§82.001 through 82.003, §§82.051 through 82.056 and §§84.001 *et seq.*, §101.001, §§101.101 *et seq.*, §§101.151 *et seq.* and arts. 21.21, 21.43 and 21.44 and TEX. GOV'T. CODE ANN. §§2001.051 through 2001.178. The Commissioner of Insurance has authority to informally dispose of this case pursuant to the provisions of TEX. INS. CODE ANN. §82.055 and §101.103, TEX. GOV'T. CODE ANN. §2001.056 and 28 TEX. ADMIN. CODE §§1.47, 1.88 and 1.89.

The Commissioner of Insurance, after review and due consideration, adopts the following findings of fact and conclusions of law:



00-1021

## COMMISSIONER'S ORDER

North American Marine General Insurance Co., Ltd.

Page 3 of 5

10. North American has not procured a certificate of authority permitting it to sell insurance in the state of Texas and is not eligible as a surplus line insurer under TEX. INS. CODE ANN. art. 1.14-2. Additionally, North American has not filed any notice with the Commissioner of any claim for exemption pursuant to TEX. INS. CODE ANN. §101.004.
11. On at least one occasion, IMSF faxed to a Texas resident a document which offered membership in the IMSF and solicited insurance. The document offered "Immediate Access to Boat Insurance Quotes & Discounts", "INSURANCE BENEFITS for all types of WATER CRAFTS (sic), RENTAL BOATS, JET SKIS, CHARTER BOATS, and GUIDE BOATS", and "Free over the Phone or fax QUOTES and IMMEDIATE COVERAGE." The insurance offered is provided by North American.
12. IMSF faxed to at least one Texas resident documents which offered to agents and dealers "discounted insurance coverage", and "Immediate Coverage." The insurance offered is provided by North American.
13. Through IMSF, North American, an unauthorized insurer, has solicited one or more persons in Texas to purchase insurance from North American affecting subjects located wholly or in part in Texas and to be performed in Texas. As such, North American is engaging in the unauthorized business of insurance and is soliciting an unauthorized insurance product in violation of TEX. INS. CODE ANN. arts. 1.14, 21.43 and §§101.051-101.055 and §101.001 and §101.102.

CONCLUSIONS OF LAW

1. The Commissioner of Insurance has jurisdiction over this matter pursuant to TEX. INS. CODE ANN. §§82.001 through 82.003 and §§82.051 through 82.056 and §§84.001 *et seq.*, §101.001, §§101.101 *et seq.*, §§101.151 *et seq.*, and arts. 21.21, 21.43, and 21.44 and TEX. GOV'T. CODE ANN. §§2001.051 through 2001.178.
2. The Commissioner of Insurance has authority to informally dispose of this case pursuant to the provisions of TEX. INS. CODE ANN. §82.005 and §101.103, TEX. GOV'T CODE ANN. §2001.056, and 28 TEX. ADMIN. CODE §§1.47, 1.88 and 1.89.
3. The Texas Department of Insurance sent the Notice of Hearing in this matter to the last known address of North American, as reflected on its solicitation document and as evidenced by the attached affidavit. By such means, North American was afforded proper and timely notice of the hearing, pursuant to 28 TEX. ADMIN. CODE §§1.28(c) and 1.88(c) and TEX. GOV'T CODE ANN., Ch. 2001.

00-1021

## COMMISSIONER'S ORDER

North American Marine General Insurance Co., Ltd.

Page 2 of 5

FINDINGS OF FACT

1. North American is an "alien insurance company" as defined in TEX. INS. CODE ANN. art. 21.43 §1(b).
2. International Marine Safety Foundation ("IMSF") is a membership organization with headquarters in London, England and with its North American division located in Quebec, Canada. IMSF holds a group policy with North American.
3. Pursuant to a solicitation document distributed by IMSF to a Texas insurance agency, North American's North/South American Division (the "Division") is responsible for underwriting business in the United States. The same document identifies the Division's address as P.O. Box 6-1097, El Dorado, Panama, Republic of Panama.
4. On June 20, 2000, in accordance with 28 TEX. ADMIN. CODE §§1.28 and 19.906, the Department sent North American a Notice of the Hearing scheduled for August 2, 2000, to North American's last known address as reflected by the solicitation document, P.O. Box 6-1097, El Dorado, Panama, Republic of Panama, by registered mail No. R 660 123 094, return receipt requested.
5. The June 20, 2000 Notice of Hearing informed North American of the right to appear and be represented by counsel, the time, place and nature of the hearing, the legal authority and jurisdiction under which the hearing is to be held, the matters asserted, and the statutes and rules involved, as contemplated in TEX. GOV'T. CODE ANN. §2001.052.
6. The Notice of Hearing contained the warnings to North American that are required by 28 TEX. ADMIN. CODE §§1.88 and 1.89.
7. North American failed to file a written response to the Notice of Hearing within twenty (20) days of the date the notice of hearing was mailed.
8. A disposition by default may be entered, pursuant to 28 TEX. ADMIN. CODE §1.89, subsection (b):
  - (1) The failure to file a written response within 20 days of the mailing of the Notice of Hearing shall entitle the Texas Department of Insurance to seek informal disposition by default from the Commissioner as provided in the Insurance Code §82.055.
9. A disposition by default requires the issuance of an Order against North American in which the allegations against it in the Notice of Hearing are deemed admitted as true.

00-1021

## COMMISSIONER'S ORDER

North American Marine General Insurance Co., Ltd.

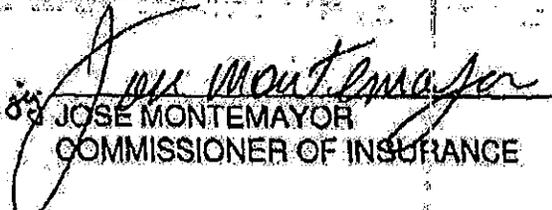
Page 4 of 5

4. North American has engaged in the unauthorized business of insurance in Texas in violation of TEX. INS. CODE ANN. §§101.051-101.055 and §101.102.
5. IMSF has solicited an unauthorized insurance product in Texas in violation of TEX. INS. CODE ANN. §101.001.
6. The Department's allegations in the Notice of Hearing are deemed admitted as true pursuant to 28 TEX. ADMIN. CODE §1.89.
7. Based upon the Findings of Fact and Conclusions of Law stated above, a disposition by default is proper pursuant to 28 TEX. ADMIN. CODE §§1.88 and 1.89.
8. Based upon the Findings of Fact and Conclusions of Law stated above, North American has been in violation of, and has failed to comply with, specific provisions of the Texas Insurance Code or duly promulgated rules or regulations of the Commissioner, as contemplated in TEX. INS. CODE ANN. §82.055, by violating TEX. INS. CODE ANN. §§101.051-101.055, §101.001, §101.102 and arts. 1.14 and 21.43.

IT IS, THEREFORE, ORDERED by the Commissioner of Insurance that North American will immediately cease participating, directly or indirectly, in any act of an agent in Texas. North American further will immediately cease from conducting any insurance related activity in Texas, including soliciting unauthorized insurance products.

IT IS FURTHER ORDERED by the Commissioner of Insurance that North American shall pay, and is hereby directed to pay, on or before thirty (30) days from the date of this Order, an administrative penalty in the total sum of TWO HUNDRED THOUSAND DOLLARS AND NO CENTS (\$200,000.00), which must be paid by check or money order made payable to the "State of Texas" and transmitted to the Texas Department of Insurance, Accounting Department, 333 Guadalupe, MC 999-9, P.O. Box 149104, Austin, Texas 78714-9104.

IT IS FURTHER ORDERED by the Commissioner of Insurance that if North American fails to pay the administrative penalty in the full amount within the time specified herein or violates any other terms of this order, under the provisions of TEX. INS. CODE ANN. §84.001 et seq, the Commissioner may refer the matter to the Attorney General of the State of Texas for collection.

  
JOSE MONTEMAYOR  
COMMISSIONER OF INSURANCE

CO-1021

COMMISSIONER'S ORDER  
North American Marine General Insurance Co., Ltd.  
Page 5 of 5

STATE OF TEXAS       §  
                                  §  
COUNTY OF TRAVIS   §

**AFFIDAVIT**

Before me the undersigned authority personally appeared Martha Redford who, being by me duly sworn, deposed as follows:

"My name is Martha Redford, I am of sound mind, capable of making this affidavit, and personally acquainted with the facts herein stated.

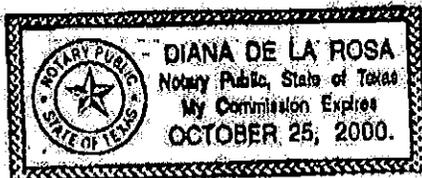
I have reviewed the Legal and Compliance Division's Enforcement file and related documents concerning North American Marine General Insurance Company Ltd. ("North American") and hereby attest that the file contains a notice of hearing dated June 20, 2000, filed with the State Office of Administrative Hearings, and mailed registered with return receipt requested to North American at its last known address, as reflected on a solicitation document; to wit: P.O. Box 6-1097, El Dorado, Panama, Republic of Panama. The notice of hearing informed North American of the allegations against it, the statutes and rules involved and the legal authority and jurisdiction under which the hearing is to be held.

The notice of hearing also informed North American of the right to appear and be represented by counsel, the time and place of the hearing, and the warnings required by Title 28 Texas Administrative Code §§1.88 and 1.89."

Martha Redford  
Affiant

BEFORE ME, Diana de la Rosa, a notary public in and for the State of Texas, on this day personally appeared Martha Redford, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 17th day of August, 2000.



Diana de la Rosa  
Notary Public, State of Texas

No. 00-1048

**OFFICIAL ORDER**  
**of the**  
**COMMISSIONER OF INSURANCE**  
**of the**  
**STATE OF TEXAS**  
**AUSTIN, TEXAS**

Date: SEP 08 2000**Subject Considered:**

International Marine Safety Foundation  
10 Golden Square  
London, England W1R3AF

SOAH DOCKET NUMBER 454-00-1639.C  
DOCKET NUMBER D-00-0881

**General remarks and official action taken:**

On this date came on for consideration by the Commissioner of Insurance, the matter of whether International Marine Safety Foundation ("IMSF") should be fined and ordered to cease and desist from conducting any further insurance related activities in the State of Texas. It is alleged that IMSF violated the insurance laws of the State of Texas by engaging in the unauthorized business of insurance and in soliciting insurance in Texas without an agent's license. It is further alleged that IMSF is disseminating information to Texas residents which is untrue, deceptive and misleading. Such conduct constitutes grounds for disciplinary action pursuant to TEX. INS. CODE ANN. §101.102, §101.103, §101.105, and §101.151.

The Commissioner of Insurance has jurisdiction over this matter pursuant to TEX. INS. CODE ANN. §§82.001 through 82.003, §§82.051 through 82.056 and §§84.001 *et seq.*, §101.001, §§101.101 *et seq.*, §§101.151 *et seq.* and arts. 21.01, 21.02, 21.07, 21.11, 21.14, and 21.21 and TEX. GOV'T. CODE ANN. §§2001.051 through 2001.178. The Commissioner of Insurance has authority to informally dispose of this case pursuant to the provisions of TEX. INS. CODE ANN. §82.055 and §101.103, TEX. GOV'T. CODE ANN. §2001.056 and 28 TEX. ADMIN. CODE §§1.47, 1.88 and 1.89.

The Commissioner of Insurance, after review and due consideration, adopts the following findings of fact and conclusions of law:



00-1048

COMMISSIONER'S ORDER  
International Marine Safety Foundation  
Page 2 of 7

FINDINGS OF FACT

1. IMSF is a membership organization with headquarters in London, England and with its North American division located in Quebec, Canada.
2. IMSF's website shows that IMSF's last mailing address was 10 Golden Square, London, England W1R3AF. The website shows IMSF's North American Division Office's last mailing address was 905 Michele-Bohec Blvd., Suite 204, Blainville, Province of Quebec, Canada J7C-5J6.
3. Other documents provided to the Texas Department of Insurance ("TDI") provide other addresses for IMSF in London and Quebec.
4. On June 15, 2000, in accordance with 28 TEX. ADMIN. CODE §§1.28 and 19.906, the Department sent IMSF a Notice of the Hearing scheduled for July 24, 2000, to IMSF's last known address as reflected by IMSF's website, 10 Golden Square, London, England, W1R3AF, by registered mail No. R 583 473 015, return receipt requested. A copy of the Notice of Hearing was also sent to IMSF at 905 Michele-Bohec Blvd., Suite 204, Blainville, Province of Quebec, Canada J7C-5J6, by registered mail No. R 583 493 016, return receipt requested, 77 Newbond Street, London, England W1Y-9DD by registered mail No. R 583 493 014, return receipt requested, and 1, Place du Commerce, Suite 235, Verdun, Quebec, Canada by registered mail No. R 583 493 017, return receipt requested.
5. The June 15, 2000 Notice of Hearing informed IMSF of the right to appear and be represented by counsel, the time, place and nature of the hearing, the legal authority and jurisdiction under which the hearing is to be held, the matters asserted, and the statutes and rules involved, as contemplated in TEX. GOV'T. CODE ANN. §2001.052.
6. The Notice of Hearing contained the warnings to IMSF that are required by 28 TEX. ADMIN. CODE §§1.88 and 1.89.
7. IMSF failed to file a written response to the Notice of Hearing within twenty (20) days of the date the notice of hearing was mailed.
8. A disposition by default may be entered, pursuant to 28 TEX. ADMIN. CODE §1.89, subsection (b):
  - (1) The failure to file a written response within 20 days of the mailing of the Notice of Hearing shall entitle the Texas Department of Insurance to seek informal disposition by default from the Commissioner as provided in the Insurance Code §82.055.

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International Marine Safety Foundation  
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9. A disposition by default requires the issuance of an Order against IMSF in which the allegations against it in the Notice of Hearing are deemed admitted as true.
10. IMSF does not hold a license to act as an insurance agent in Texas nor is it authorized to engage in the business of insurance by the TDI. Additionally, IMSF has not filed any notice with the Commissioner of any claim for exemption pursuant to TEX. INS. CODE ANN. §101.004.
11. On at least one occasion, IMSF faxed to a Texas resident a document which offered membership in the IMSF and solicited insurance. The document offered "Immediate Access to Boat Insurance Quotes & Discounts", "INSURANCE BENEFITS for all types of WATER CRAFTS (sic), RENTAL BOATS, JET SKIS, CHARTER BOATS, and GUIDE BOATS.", and "Free over the Phone or fax QUOTES and IMMEDIATE COVERAGE."
12. IMSF faxed to at least one Texas resident documents which offered to agents and dealers "discounted insurance coverage", and "Immediate Coverage."
13. Documents distributed by IMSF misrepresent that under "the Fourteenth Amendment to the Federal (sic) Constitution" individual states may not abridge the privileges of citizens of the United States by restricting where they may secure contracts of insurance. They claim further that because IMSF and the insurers with whom they do business are not located in the United States of America, they "do not write insurance in your state," and that "any authorization or license from your State permitting them (an insurer or agent) to conduct the business of insurance within its jurisdiction would be useless, (sic) of no practical utility. The fact that those companies are not admitted into your State in accordance with your State's licensure program is wholly irrelevant and immaterial. Likewise, the I.M.S.F. simply is not placing boat insurance in your State when it secures insurance policies for you with . . . off-shore companies. As a membership foundation, we do not need a license from your State insurance regulatory body for membership services, (sic) we do for you wholly beyond the territorial limit of your state." On the contrary, the regulation of insurance by the individual states was mandated by the McCarran-Ferguson Act and incorporated into the United States Code, Chapter 20, § 1012.
14. IMSF has solicited one or more persons in Texas to purchase insurance affecting subjects located wholly or in part in Texas and to be performed in Texas. As such, IMSF is engaging in the unauthorized business of insurance in violation of TEX. INS. CODE ANN. §§101.051-101.055 and §101.102.
15. IMSF purports to place the insurance sold with North American Marine General Insurance Company Limited ("North American"). North American does not hold a certificate of authority to sell insurance in the state of Texas and is not eligible as a surplus line insurer under TEX. INS. CODE ANN. art. 1.14-2. Therefore,

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IMSF is soliciting an unauthorized product in violation of TEX. INS. CODE ANN. §101.001.

16. IMSF is acting as an agent for North American by soliciting insurance on North American's behalf to Texas residents. IMSF does not have an agent's license granting it permission to solicit insurance in Texas. Therefore, its actions are in violation of TEX. INS. CODE ANN. arts. 21.01 and 21.07.
17. IMSF is soliciting casualty insurance (watercraft and snowcraft coverage). As such, it is required to hold a "Local Recording Agent's" license or a "Solicitor's" license. IMSF does not hold either license and, therefore, is soliciting insurance in violation of TEX. INS. CODE ANN. arts. 21.11 and 21.14 §4(a).
18. By representing in solicitation documents that the insurance offered by IMSF is not subject to state law, IMSF is disseminating information which is untrue, deceptive and misleading in violation of TEX. INS. CODE ANN. art. 21.21§4(2).

#### CONCLUSIONS OF LAW

1. The Commissioner of Insurance has jurisdiction over this matter pursuant to TEX. INS. CODE ANN. §§82.001 through 82.003 and §§82.051 through 82.056 and §§84.001 *et seq.*, §101.001, §§101.101 *et seq.*, §§101.151 *et seq.* and arts. 21.01, 21.02, 21.07, 21.11, 21.14, and 21.21 and TEX. GOV'T. CODE ANN. §§2001.051 through 2001.178.
2. The Commissioner of Insurance has authority to informally dispose of this case pursuant to the provisions of TEX. INS. CODE ANN. §82.005 and §101.103, TEX. GOV'T CODE ANN. §2001.056, and 28 TEX. ADMIN. CODE §§1.47, 1.88 and 1.89.
3. The Texas Department of Insurance sent the Notice of Hearing in this matter to the last known address of IMSF, as reflected on IMSF's website and as evidenced by the attached affidavit. By such means, IMSF was afforded proper and timely notice of the hearing, pursuant to 28 TEX. ADMIN. CODE §§1.28(c) and 1.88(c) and TEX. GOV'T CODE ANN., Ch. 2001.
4. IMSF has engaged in the unauthorized business of insurance in Texas in violation of TEX. INS. CODE ANN. §§101.051-101.055 and §101.102.
5. IMSF has solicited an unauthorized insurance product in Texas in violation of TEX. INS. CODE ANN. §101.001.
6. IMSF has solicited insurance in Texas despite the fact that it does not have an agent's license granting it permission to solicit insurance in Texas and, therefore, is in violation of TEX. INS. CODE ANN. arts. 21.01 and 21.07.

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International Marine Safety Foundation  
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7. IMSF has solicited casualty insurance in Texas without holding a "Local Recording Agent's" license or a "Solicitor's" license in violation of TEX. INS. CODE ANN. arts. 21.11 and 21.14 §4(a).
8. IMSF has misrepresented in its solicitation documents that the insurance offered by IMSF is not subject to state law in violation of TEX. INS. CODE ANN. art. 21.21 §4(2).
9. The Department's allegations in the Notice of Hearing are deemed admitted as true pursuant to 28 TEX. ADMIN. CODE §1.89.
10. Based upon the Findings of Fact and Conclusions of Law stated above, a disposition by default is proper pursuant to 28 TEX. ADMIN. CODE §§1.88 and 1.89.
11. Based upon the Findings of Fact and Conclusions of Law stated above, IMSF has been in violation of, and has failed to comply with, specific provisions of the Texas Insurance Code or duly promulgated rules or regulations of the Commissioner, as contemplated in TEX. INS. CODE ANN. §82.055, by violating TEX. INS. CODE ANN. §§101.051-101.055, §101.001, §101.102 and arts. 21.01, 21.07, 21.11 and 21.14 §4(a), and 21.21 §4(2).

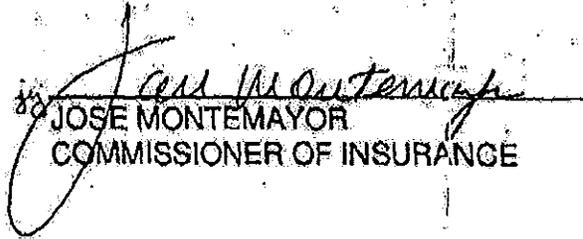
IT IS, THEREFORE, ORDERED by the Commissioner of Insurance that IMSF will immediately cease participating, directly or indirectly, in any act of an insurance agent in Texas. IMSF further will immediately cease from conducting any insurance related activity in Texas, including soliciting unauthorized insurance products, and from making false representations about insurance.

IT IS FURTHER ORDERED by the Commissioner of Insurance that IMSF shall pay, and is hereby directed to pay, on or before thirty (30) days from the date of this Order, an administrative penalty in the total sum of FIVE HUNDRED THOUSAND DOLLARS AND NO CENTS (\$500,000.00), which must be paid by check or money order made payable to the "State of Texas" and transmitted to the Texas Department of Insurance, Accounting Department, 333 Guadalupe, MC 999-9, P.O. Box 149104, Austin, Texas 78714-9104.

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IT IS FURTHER ORDERED by the Commissioner of Insurance that if IMSF fails to pay the administrative penalty in the full amount within the time specified herein or violates any other terms of this order, under the provisions of TEX. INS. CODE ANN. §84.001 et seq, the Commissioner may refer the matter to the Attorney General of the State of Texas for collection.

  
JOSE MONTEMAYOR  
COMMISSIONER OF INSURANCE

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STATE OF TEXAS       §  
                                  §  
COUNTY OF TRAVIS   §

**AFFIDAVIT**

Before me the undersigned authority personally appeared Martha Redford who, being by me duly sworn, deposed as follows:

"My name is Martha Redford, I am of sound mind, capable of making this affidavit, and personally acquainted with the facts herein stated.

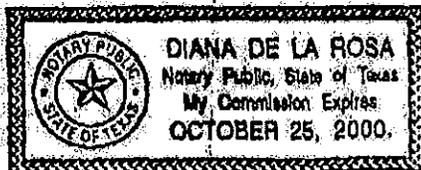
I have reviewed the Legal and Compliance Division's Enforcement file and related documents concerning International Marine Safety Foundation ("IMSF") and hereby attest that the file contains a notice of hearing dated June 15, 2000, filed with the State Office of Administrative Hearings, and mailed registered with return receipt requested to IMSF at its last known address, as reflected on IMSF's webpage; to wit: 10 Golden Square, London, England W1R 3AF. A copy of the notice of hearing also was sent to 905 Michele-Bohec Blvd., Suite 204, Blainville, Province of Québec, Canada J7C-5J6, 77 Newbond Street, London, England W1Y-9DD, 1, Place du Commerce, Suite 235, Verdun, Quebec, Canada H3E 1A4. The notice of hearing informed IMSF of the allegations against it, the statutes and rules involved and the legal authority and jurisdiction under which the hearing is to be held.

The notice of hearing also informed IMSF of the right to appear and be represented by counsel, the time and place of the hearing, and the warnings required by Title 28 Texas Administrative Code §§1.88 and 1.89."

*Martha Redford*  
\_\_\_\_\_  
Affiant

BEFORE ME, Diana de la Rosa, a notary public in and for the State of Texas, on this day personally appeared Martha Redford, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 17<sup>th</sup> day of August, 2000.



*Diana de la Rosa*  
\_\_\_\_\_  
Notary Public, State of Texas

No. **02-0282**

**OFFICIAL ORDER  
of the  
COMMISSIONER OF INSURANCE  
of the  
STATE OF TEXAS  
AUSTIN, TEXAS**

Date: **MAR 26 2002**

**Subject Considered:**

**International Marine Safety Foundation  
a/k/a  
International Water Marine Safety Foundation  
10 Golden Square  
London, England W1F 9JA**

**77 New Bond Street  
London, England W1Y 9DD**

**North American Division  
905 Michele-Bohec Blvd, Suite 204  
Blainville, Province of Quebec  
Canada J7C-5J6**

**North American Division  
1, Place du Commerce, Suite 235  
Verdun, Quebec, Canada H3E 1A4**

**Gerard Beaudoin, Director  
International Marine Safety Foundation  
a/k/a**

**International Water Marine Safety Foundation  
North American Division  
905 Michele-Bohec Blvd, Suite 204  
Blainville, Province of Quebec  
Canada J7C-5J6**

**North American Division  
1, Place du Commerce, Suite 235  
Verdun, Quebec  
Canada H3E 1A4**



**02-028**

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INTERNATIONAL WATER MARINE SAFETY FOUNDATION  
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719 Rue Page  
Prevost, Quebec  
Canada J0R-1T0

**Gregory Quail, Director**  
**International Marine Safety Foundation**  
a/k/a

**International Water Marine Safety Foundation**  
10 Golden Square  
London, England W1F 9JA

77 New Bond Street  
London, England W1Y 9DD

**Andrew Evans, President**  
**International Marine Safety Foundation**  
a/k/a

**International Water Marine Safety Foundation**  
10 Golden Square  
London, England W1F 9JA

77 New Bond Street  
London, England W1Y 9DD

SOAH DOCKET NO. 454-02-0981.D  
DOCKET NUMBER D-02-0020

**General remarks and official action taken:**

On this date came on for consideration by the Commissioner of Insurance, the matter of whether International Marine Safety Foundation ("IMSF") a/k/a International Water Marine Safety Foundation ("IWMSF") and Gerard Beaudoin, Gregory Quail and Andrew Evans, individually, have engaged in the unauthorized business of insurance in Texas, solicited an unauthorized insurance product in Texas, and violated Commissioner's Order No. 00-1048 issued September 8, 2000. IMSF was ordered to cease and desist conducting an insurance business in Texas and to pay a penalty of FIVE HUNDRED THOUSAND DOLLARS AND NO CENTS (\$500,000.00). It is alleged that IMSF has continued to engage in the unauthorized business of insurance under the name IWMSF in violation of the insurance laws of the State of Texas by, soliciting insurance in Texas without an agent's license. The Findings of Fact will show that IMSF and IWMSF are, for all practical purposes, one and the same. Such conduct constitutes grounds for disciplinary action pursuant to TEX. INS. CODE ANN. §§ 83.101, 101.102, 101.103, 101.105, 101.106 and 101.151.

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For the purposes of this Order, unless specifically named, references to IMSF include International Marine Safety Foundation at any and all of its geographic locations.

The Commissioner of Insurance has jurisdiction over this matter pursuant to TEX. INS. CODE ANN. §§ 82.001 through 82.003, §§ 82.051 through 82.056 and §§ 84.001 *et seq.*, § 101.001, § 101.101 *et seq.*, §§ 101.151 *et seq.* and TEX. INS. CODE ANN. arts. 21.01, 21.02, 21.07, 21.11, 21.14, and 21.21 and TEX. GOV'T. CODE ANN. § 2001.051 through 2001.178. The Commissioner of Insurance has authority to informally dispose of this case pursuant to the provisions of TEX. INS. CODE ANN. § 82.055 and § 101.103, TEX. GOV'T. CODE ANN. § 2001.056 and 28 TEX. ADMIN. CODE §§ 1.47, 1.88 and 1.89.

The Commissioner of Insurance, after review and due consideration, adopts the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. IMSF a/k/a IWMSF is a membership organization, with headquarters in London, England and with its North American division located in Quebec, Canada.
2. Commissioner's Order No. 00-1048, issued September 8, 2000, ordered IMSF to cease and desist participating, directly or indirectly, in any act of an insurance agent in Texas; conducting any insurance related activity in Texas; soliciting unauthorized insurance products; and making false representations about insurance. IMSF was further ordered to pay, on or before thirty (30) days from the date of Order No. 00-1048, an administrative penalty in the total sum of FIVE HUNDRED THOUSAND DOLLARS AND NO CENTS (\$500,000.00). To date this penalty has not been paid.
3. North American General Marine Insurance Company LTD. ("North American"), is an "alien insurance company" domiciled in the Republic of Panama. North American does not hold a certificate of authority to sell insurance in the state of Texas and is not eligible as a surplus line insurer under TEX. INS. CODE ANN. art. 1.14-2.
4. Commissioner's Order No. 00-1021, issued September 1, 2000, ordered North American to cease from conducting any insurance related activity in Texas. North American was further ordered to pay, on or before thirty (30) days from the date of the Order, an administrative penalty in the total sum of TWO HUNDRED THOUSAND DOLLARS AND NO CENTS (\$200,000.00). To date this penalty has not been paid.
5. Gerald Beaudoin is the Director of the IMSF a/k/a IWMSF's North American Operations in Quebec, Canada. Gregory Quall is the Director of the IMSF a/k/a IWMSF in London, England. Andrew Evans is the President of the IMSF a/k/a IWMSF in London, England.

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6. IMSF a/k/a IWMSF is the master policyholder of group Property and Casualty Insurance master policies GWOMMP.010975 and GWOMMP.010976, underwritten by North American.
7. On October 15, 2001 the Texas Department of Insurance ("TDI") received various documents from a resident of Texas who purchased insurance from IMSF a/k/a IWMSF. Included was an envelope insert he received from IMSF a/k/a IWMSF in the delivery package for his North American insurance certificate. The insert is an announcement from IMSF stating, "Please be informed that the International Marine Safety Foundation is now known as the International Water Marine Safety Foundation." (Emphasis in original.)
8. An Internet website operated by IWMSF, accessed through the Internet address www.iwmsf.com, offers insurance services identical to those offered by IMSF and operates from the same physical addresses as IMSF. The Internet website at www.iwmfs.com, except for inclusion of the word "Water" in the foundation's name, is identical to the website previously operated by IMSF accessed through the Internet addresses www.marine-safety.com.
9. An Internet "WHOIS" search shows that the IMSF Internet website address www.marine-safety.com is registered to International Marine Safety Foundation, 905 Michele-Bohec Blvd., Suite 204, Blainville, Quebec J7C-5J6, Canada. The administrative contact for the website address www.marine-safety.com is shown to be Andrew Evans, International Marine Safety Foundation, 10 Golden Square, London, W1F 9JA.
10. An Internet "WHOIS" search shows that the IWMSF Internet website address www.iwmsf.com is registered to International Marine Safety Foundation, 905 Michele-Bohec Blvd., Blainville, Suite 204, Quebec J7C 5J6, Canada. The administrative contact and billing contact for the website address www.iwmsf.com is shown to be Gerald Beaudoin, International Marine Safety Foundation, 905 Michele Bohec Blvd., Blainville, Suite 204, Quebec J7C 5J6, Canada.
11. In all respects, the activities of, and the participants in, IWMSF are identical to those of IMSF.
12. On November 30, 2001, in accordance with 28 TEX. ADMIN. CODE §§ 1.28 and 19.906, TDI sent IMSF a/k/a IWMSF, and Gerard Beaudoin, Gregory Quail and Andrew Evans individually, a Notice of the Hearing scheduled for February 5, 2002, to IMSF's last known addresses: North American Division, 905 Michele-Bohec Blvd., Suite 204, Blainville, Province of Quebec, Canada J7C-5J6 by registered mail No. No RR 153 815 138 US return receipt requested; North American Division, 1, Place du Commerce, Suite 235, Verdun, Quebec, Canada H3E 1A4, by registered mail No RR 153 815 141 US return receipt requested; and to 10 Golden Square, London, England, W1F 9JA, by registered mail Nos. No RR 153 836 115 US and No RR 153 836 291 US return receipts requested.

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Copies of the Notice of Hearing were sent also to IMSF a/k/a IWMSF, and to Gerard Beaudoin, Gregory Quail and Andrew Evans individually, at other known addresses: 77 Newbond Street, London, England W1Y-9DD by registered mail No. No RR 153 836 124 US, return receipt requested; 72 Newbond Street, London, England W1Y-9DD by registered mail Nos. No RR 153 815 138 US and No RR 153 836305 US, return receipts requested; and to IMSF's attorney, John Bailey, c/o Collyer-Bristow, 4 Bedford Row, London, England WC1R 4DF, by registered mail No. No RR 153 836 314 US return receipt requested.

13. The November 30, 2001 Notice of Hearing informed IMSF a/k/a IWMSF, and Gerard Beaudoin, Gregory Quail and Andrew Evans individually, of the right to appear and be represented by counsel, the time, place and nature of the hearing, the legal authority and jurisdiction under which the hearing is to be held, the matters asserted, and the statutes and rules involved, as contemplated in TEX. GOV'T. CODE ANN. § 2001.052.
14. The Notice of Hearing contained the warnings to IMSF a/k/a IWMSF, and Gerard Beaudoin, Gregory Quail and Andrew Evans individually, that are required by 28 TEX. ADMIN. CODE §§ 1.88 and 1.89.
15. IMSF a/k/a IWMSF, and Gerard Beaudoin, Gregory Quail and Andrew Evans individually, failed to file a written response to the Notice of Hearing within twenty (20) days of the date the notice of hearing was mailed.
16. A disposition by default may be entered, pursuant to 28 TEX. ADMIN. CODE § 1.89, subsection (b)(1): *The failure to file a written response within 20 days of the mailing of the Notice of Hearing shall entitle the Texas Department of Insurance to seek informal disposition by default from the Commissioner as provided in the Insurance Code § 82.055.*
17. A disposition by default requires the issuance of an Order against IMSF a/k/a IWMSF, and Gerard Beaudoin, Gregory Quail and Andrew Evans individually, in which the allegations against it in the Notice of Hearing are deemed admitted as true.
18. IMSF a/k/a IWMSF, and Gerard Beaudoin, Gregory Quail and Andrew Evans individually, are not authorized to engage in the business of insurance by TD) nor do IMSF a/k/a IWMSF, Gerard Beaudoin, Gregory Quail or Andrew Evans hold a license to act as insurance agents in Texas. Additionally, IMSF a/k/a IWMSF, and Gerard Beaudoin, Gregory Quail and Andrew Evans individually, have not filed any notice with the Commissioner of any claim for exemption pursuant to TEX. INS. CODE ANN. § 101.004.
19. On at least two occasions since the issuance of Commissioner's Order No. 00-1048 on September 8, 2000, IMSF a/k/a IWMSF, and Gerard Beaudoin, Gregory Quail and Andrew Evans individually, faxed a Texas resident a document offering membership in the IWMSF, soliciting insurance, and attempting to recruit

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INTERNATIONAL WATER MARINE SAFETY FOUNDATION  
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individuals as agents and brokers to assist the IWMSF in the placing of insurance on watercraft risks, including those in Texas. The document offered "Free over-the-phone QUOTES of fax information for immediate membership benefits coverage."; "Coverage: pleasure, guide, airboats, Hovercrafts, Jet skis, charter, & commercial."; "Premium financing benefit plan available, interest free (certain conditions apply)" and "Discounted watercraft insurance coverage."

20. On at least two occasions since the issuance of Commissioner's Order No. 00-1048 on September 8, 2000, IMSF a/k/a IWMSF, and Gerard Beaudoin, Gregory Quail and Andrew Evans individually, issued certificates of insurance coverage to Texas residents for property risks located wholly or in part in Texas and to be performed in Texas. As such, IMSF a/k/a IWMSF, and Gerard Beaudoin, Gregory Quail and Andrew Evans individually, are engaging in the unauthorized business of insurance in violation of TEX. INS. CODE ANN. §§ 101.051-101.055 and 101.102. A copy of North American insurance certificate, No. SFC19080, Binder Number SFB19080NEW was issued to Peter Kappler, Tiki Island, Texas.
21. Included with the documents TDI received on October 15, 2001 from a resident of Texas who purchased insurance from IMSF a/k/a IWMSF, and Gerard Beaudoin, Gregory Quail and Andrew Evans individually, was an envelope insert announcing that "The Foundation works with the National Boating Federation in the promotion of boat safety and safe waterways everywhere." Mr. Robert P. David, President, National Boating Federation, responded to an e-mail inquiry that he had "never heard of the International Marine Safety Foundation, et al."
22. IMSF a/k/a IWMSF, and Gerard Beaudoin, Gregory Quail and Andrew Evans individually, purport to place the insurance they sell with North American. Therefore, IMSF a/k/a IWMSF, and Gerard Beaudoin, Gregory Quail and Andrew Evans individually, are continuing to solicit an unauthorized product on behalf of North American in violation of TEX. INS. CODE ANN. § 101.001.
23. IMSF a/k/a IWMSF, and Gerard Beaudoin, Gregory Quail and Andrew Evans individually, are acting as agents for North American by soliciting insurance on North American's behalf to Texas residents. IMSF a/k/a IWMSF, and Gerard Beaudoin, Gregory Quail and Andrew Evans individually, do not have agents' licenses granting them permission to solicit insurance in Texas. Therefore, their actions are in violation of TEX. INS. CODE ANN. arts. 21.01 and 21.07.
24. IMSF a/k/a IWMSF, and Gerard Beaudoin, Gregory Quail and Andrew Evans individually, are soliciting casualty insurance (watercraft and snowcraft coverage). As such, they are required to hold "Local Recording Agents" licenses or "Solicitors" s. IMSF a/k/a IWMSF do not hold either license and, therefore, are soliciting insurance in violation of TEX. INS. CODE ANN. arts. 21.11 and 21.14 § 4(a).
25. In all respects, the activities of IWMSF, and Gerard Beaudoin, Gregory Quail and Andrew Evans individually, are identical to those of IMSF, which compelled the

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Commissioner of Insurance to issue cease and desist Order No. 00-1048. IMSF a/k/a IWMSF, and Gerard Beaudoin, Gregory Quail and Andrew Evans individually, have therefore violated the stipulations of Order No. 00-1048 by continuing to practice the business of insurance without proper authority.

CONCLUSIONS OF LAW

1. The Commissioner of Insurance has jurisdiction over this matter pursuant to TEX. INS. CODE ANN. §§ 101.001, 101.151 *et seq.* and TEX. INS. CODE ANN. arts. 21.01, 21.02, 21.07, 21.11, 21.14 and 21.21, and TEX. GOV'T. CODE ANN. §§ 2001.051 through 2001.178.
2. The Commissioner of Insurance has authority to informally dispose of this case pursuant to the provisions of TEX. INS. CODE ANN. § 82.055 and § 101.103, TEX. GOV'T CODE ANN. § 2001.056, and 28 TEX. ADMIN. CODE §§ 1.47, 1.88 and 1.89.
3. TDI sent the Notice of Hearing in this matter to the last known addresses of IMSF a/k/a IWMSF, and Gerard Beaudoin, Gregory Quail and Andrew Evans individually, as evidenced by the attached affidavit. By such means, IMSF a/k/a IWMSF, and Gerard Beaudoin, Gregory Quail and Andrew Evans individually, were afforded proper and timely notice of the hearing, pursuant to 28 TEX. ADMIN. CODE §§ 1.28(c) and 1.88(c) and TEX. GOV'T CODE ANN., Ch. 2001.
4. IMSF a/k/a IWMSF has engaged in the unauthorized business of insurance in Texas in violation of TEX. INS. CODE ANN. §§ 101.051 and 101.102.
5. Gerard Beaudoin, Gregory Quail and Andrew Evans have engaged in the unauthorized business of insurance in Texas in violation of TEX. INS. CODE ANN. §§ 101.051 and 101.102.
6. IMSF a/k/a IWMSF has solicited an unauthorized insurance product in Texas in violation of TEX. INS. CODE ANN. § 101.001.
7. Gerard Beaudoin, Gregory Quail and Andrew Evans have solicited an unauthorized insurance product in Texas in violation of TEX. INS. CODE ANN. § 101.001.
8. IMSF a/k/a IWMSF, and Gerard Beaudoin, Gregory Quail and Andrew Evans individually, by operating a website at www.iwmsf.com that offers insurance services, have solicited insurance in Texas despite the fact that none of them has an agent's license granting them permission to solicit insurance in Texas and, therefore, are in violation of TEX. INS. CODE ANN. arts. 21.01 and 21.07.
9. IMSF a/k/a IWMSF, and Gerard Beaudoin, Gregory Quail and Andrew Evans individually, by operating the website at www.iwmsf.com that offers insurance

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INTERNATIONAL WATER MARINE SAFETY FOUNDATION  
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services, have solicited casualty insurance in Texas without holding a "Local Recording Agent's" license or a "Solicitor's" license in violation of TEX. INS. CODE ANN. art. 21.11.

10. IMSF a/k/a IWMSF, and Gerard Beaudoin, Gregory Quail and Andrew Evans individually, by distributing materials claiming that the IMSF a/k/a IWMSF ". . . works with the National Boating Federation . . ." has placed before the public an advertisement containing an assertion, representation or statement with respect to the business of insurance which is untrue, and is in violation of TEX. INS. CODE ANN. art. 21.14 § 4(a).
11. IMSF a/k/a IWMSF has violated the stipulations of Order No. 00-1048 by continuing to practice the business of insurance without proper authority and by failing to pay the monetary penalty required by that order.
12. TDI's allegations in the Notice of Hearing are deemed admitted as true pursuant to 28 TEX. ADMIN. CODE § 1.89.
13. Based upon the Findings of Fact and Conclusions of Law stated above, a disposition by default is proper pursuant to 28 TEX. ADMIN. CODE §§ 1.88 and 1.89.
14. Based upon the Findings of Fact and Conclusions of Law stated above, IMSF a/k/a IWMSF, and Gerard Beaudoin, Gregory Quail and Andrew Evans individually, have been in violation of, and have failed to comply with, specific provisions of the Texas Insurance Code or duly promulgated rules or regulations of the Commissioner, as contemplated in TEX. INS. CODE ANN. § 82.055, by violating TEX. INS. CODE ANN. §§ 101.001, 101.051-101.055, 101.102 and TEX. INS. CODE ANN. arts. 21.01, 21.07, 21.11 and 21.14 § 4(a), and 21.21 § 4(2).

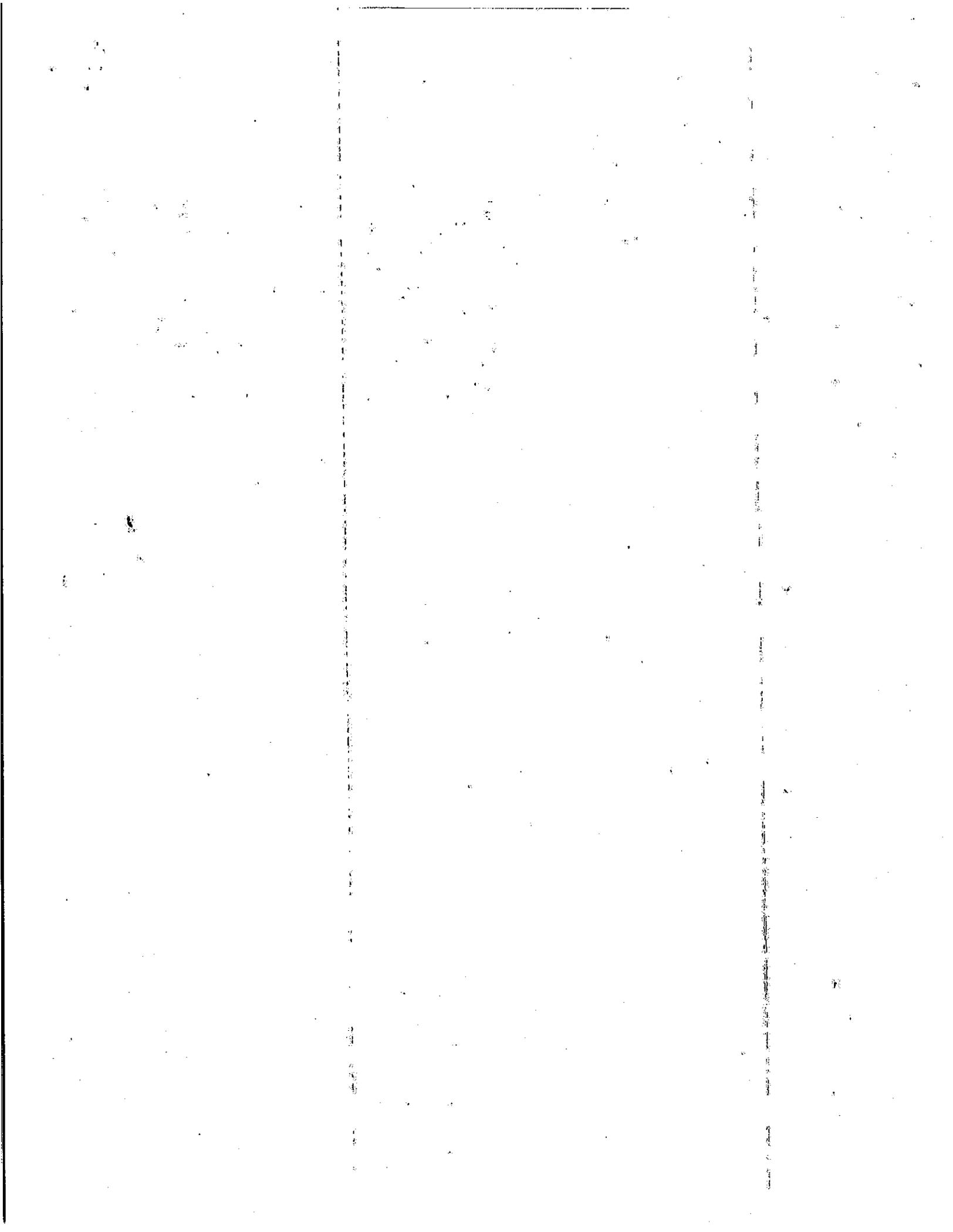
IT IS, THEREFORE, ORDERED by the Commissioner of Insurance that IMSF a/k/a IWMSF, and Gerard Beaudoin, Gregory Quail and Andrew Evans individually, will immediately cease participating, directly or indirectly, in any act of an insurance agent, and from conducting any insurance related activity in Texas under the names IWMSF, IMSF, Gerard Beaudoin, Gregory Quail and Andrew Evans, or under any other name or names unless and until they have received proper authority from the Commissioner of Insurance as provided by law.

IT IS FURTHER ORDERED by the Commissioner of Insurance that IMSF a/k/a IWMSF, and Gerard Beaudoin, Gregory Quail and Andrew Evans individually, shall pay, and they are hereby directed to pay, on or before thirty (30) days from the date of this Order, an administrative penalty in the total sum of ONE MILLION DOLLARS AND NO CENTS (\$1,000,000.00), which must be paid by cashier's check or money order made payable to the "State of Texas" and transmitted to the Texas Department of Insurance, Attn: Legal Services, Division 811, 333 Guadalupe, MC 999-9, P.O. Box 149104, Austin, Texas 78714-9104.

**02-0282**

COMMISSIONER'S ORDER  
INTERNATIONAL WATER MARINE SAFETY FOUNDATION  
Page 9 of 10

*Jose Montemayor*  
JOSE MONTEMAYOR  
COMMISSIONER OF INSURANCE





# Texas Department of Insurance

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## TDI Newsroom

### News Releases

January 24, 2003

### Court Orders Unlicensed Boat Insurer to Pay \$1 Million

An Austin judge has ordered a London- and Canada-based organization to stop marketing boat and other watercraft insurance in Texas without a license and to pay a \$1 million fine imposed last year by Commissioner Jose Montemayor.

Judge Patrick O. Keel of the 345th State District Court issued a permanent injunction this week against International Marine Safety Foundation, also known as International Water Marine Safety Foundation or International Water Safety Foundation. The injunction was requested by the Texas Department of Insurance and the Office of the Attorney General.

In addition to the foundation, the injunction names its top officers, Gerard Beaudoin, Gregory Quail and Andrew Evans. The foundation's Web site lists addresses in Quebec and London, England. Beaudoin is believed to live in Quebec while Quail and Evans are believed to reside in London.

The insurance carrier for International Water Marine Safety Foundation is an unlicensed Panamanian company, North American Marine General Insurance Co.

International Water Marine Safety Foundation advertises on the Internet and has sent faxes offering Texas insurance agents inducements to market watercraft insurance coverage on its behalf.

The Texas Department of Insurance has reason to believe that as many as 130 Texans have bought insurance through the foundation.

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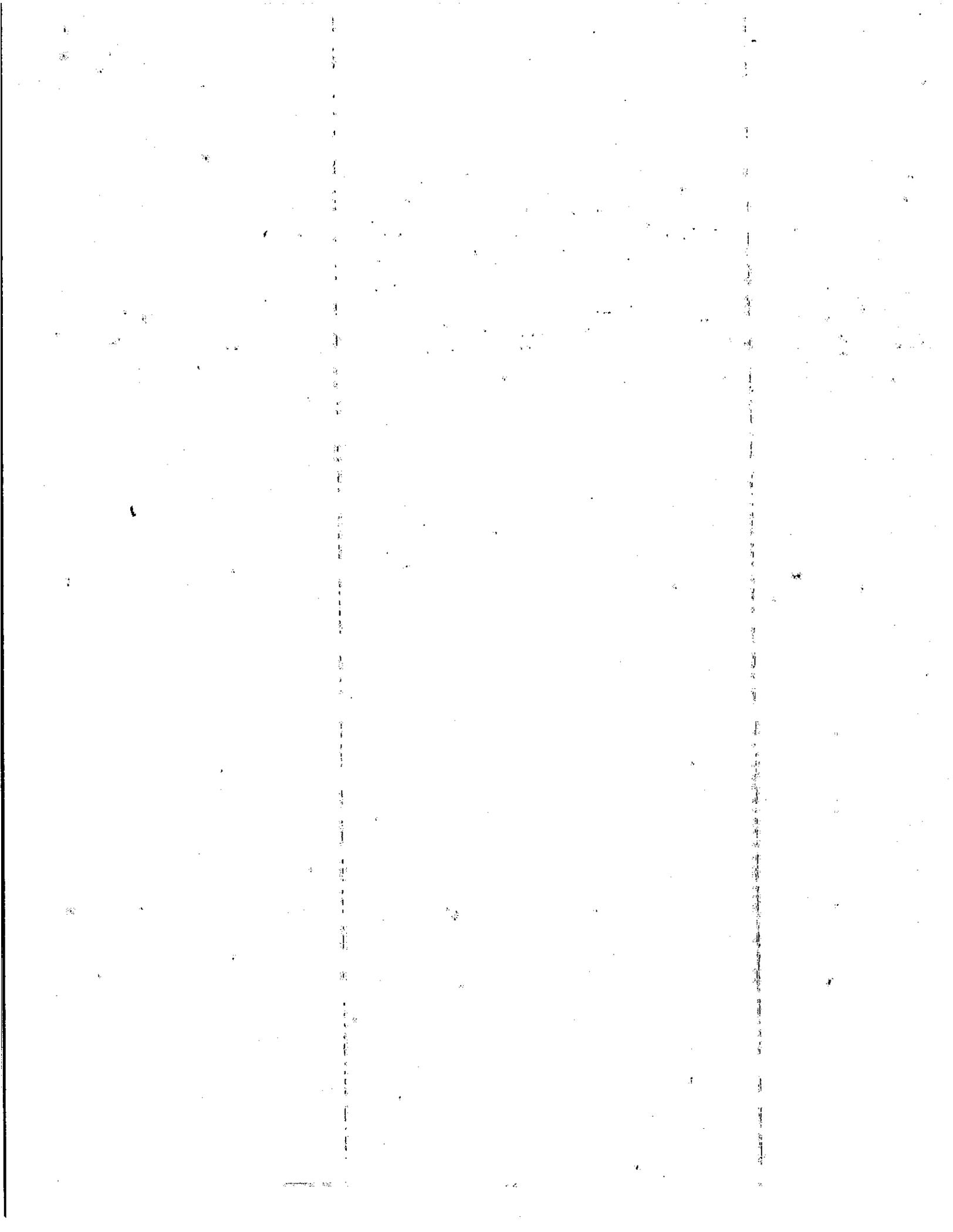
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6/16/2003





STATE OF OHIO  
DEPARTMENT OF INSURANCE  
2100 Stella Court  
Columbus, Ohio 43215-1067

IN RE:

INTERNATIONAL WATER MARINE  
SAFETY FOUNDATION

AND

NORTH AMERICAN MARINE  
GENERAL INSURANCE CO. LTD.

ORDER TO CEASE AND DESIST  
AND NOTICE OF HEARING

WHEREAS, the Ohio Department of Insurance ("Department") is charged with the responsibility of protecting insurance consumers and regulating the insurance industry pursuant to Title 39 of the Ohio Revised Code ("R.C.") and the rules and regulations adopted thereunder.

WHEREAS, upon investigation, the Superintendent has been advised that International Water Marine Safety Foundation, formerly operating as International Water Safety Foundation, (hereinafter referred to as "IWMSF") and North American Marine General Insurance Co. Ltd. (hereinafter referred to as "North American") (collectively referred to herein as "Parties"), individually and/or collectively, have engaged in the business of insurance by holding themselves out as authorized to engage in the business of property and casualty insurance. The Parties are not licensed under R.C. Chapter 39 and are not authorized to engage in the business of insurance or to provide insurance benefits or coverage in the State of Ohio. The Parties' conduct is causing or is about to cause substantial and material harm. The grounds are alleged below.

1. The last known operating address for IWMSF is 905 Michele-Bohec Blvd, Suite 204, Blainville (Quebec) J7C 5J6, Canada;
2. The last known operating address for North American is P.O. Box 6-1097, El Dorado, Panama, Republic of Panama;
3. IWMSF is a membership organization that offers various services and benefits including insurance underwritten by North American;
4. The Parties solicited and sold insurance products including a Group Wet Ocean Marine Master Policy providing water craft coverage via unsolicited facsimiles to agents and its internet site at <http://www.iwmsf.us>;
5. In June of 2001, Michael Keys, an Ohio resident, purchased water craft insurance benefits or coverage with the Parties;
6. Based upon the Parties' representations, Mr. Keys believed that he was insured by the Parties and relied on that belief;
7. Mr. Keys paid approximately five hundred fifty dollars (\$550.00) in premiums for purported coverage from June 11, 2001 through June 11, 2003;

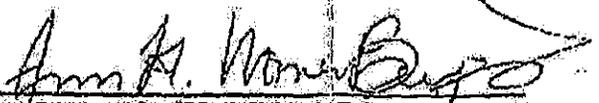


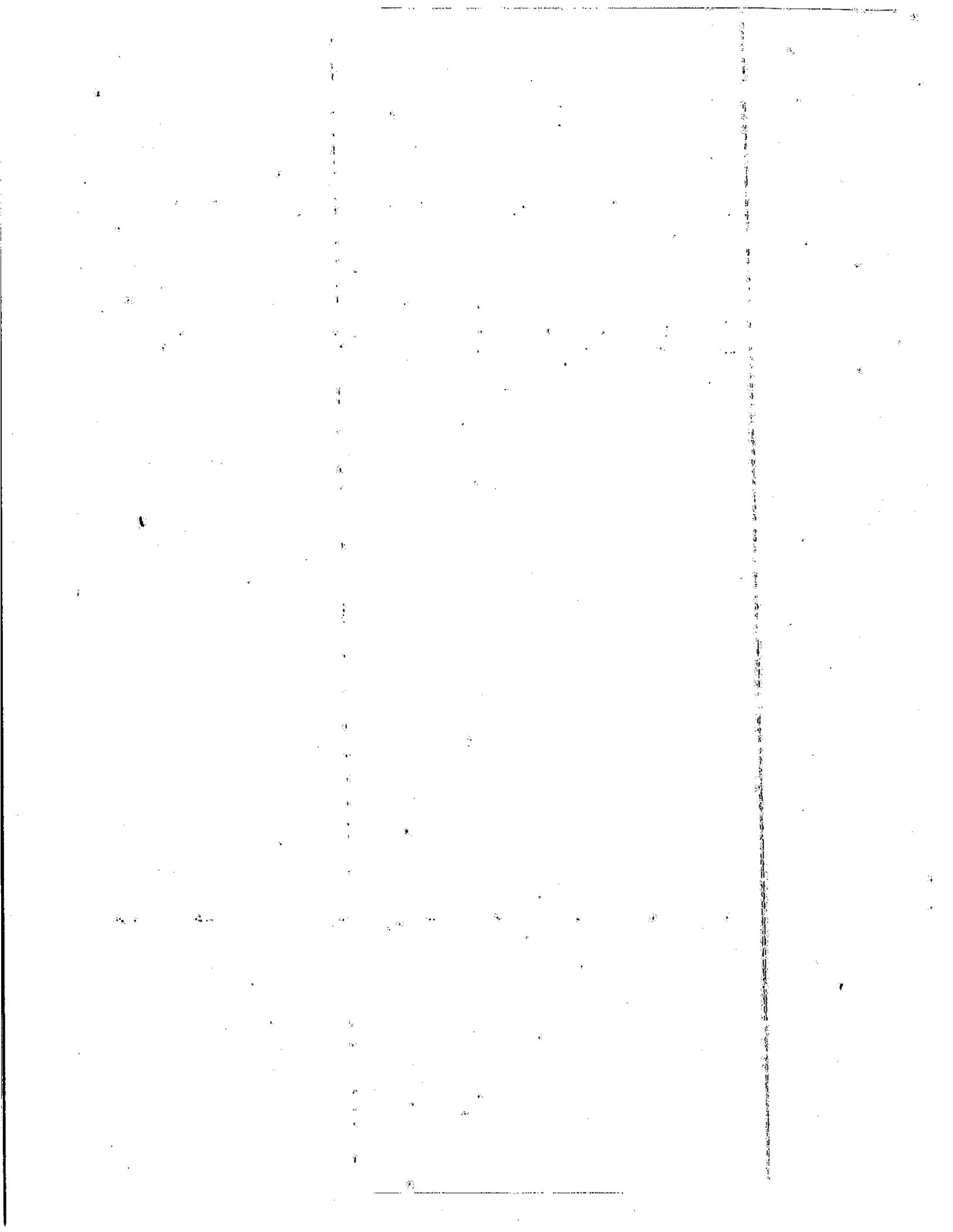
8. In December of 2001, Charles Hancock, an Ohio resident, purchased water craft insurance benefits or coverage with the Parties;
9. Based upon the Parties' representations, Mr. Hancock believed that he was insured by the Parties and relied on that belief;
10. Mr. Hancock paid approximately four hundred and ten dollars (\$410.00) in premiums for purported coverage from January 11, 2002 through January 11, 2003;
11. The Parties are not licensed as an insurance company authorized to do business in the State of Ohio;
12. On August 31, 1998, the Office of Insurance Commissioner, State of Washington, issued a Cease and Desist Order against IWMSF for soliciting insurance in the State of Washington without a license or authorization; and
13. On September 1, 2000, September 8, 2000, March 26, 2002, and June 4, 2002, the Commissioner of Insurance of the State of Texas issued Cease and Desist Orders against North American and IWMSF for engaging in the unauthorized business of insurance and soliciting and unauthorized insurance product in the State of Texas without a license or authorization.
14. On October 18, 2002, the Director of the Department of Consumer and Business Services of the State of Oregon issued a Cease and Desist Order against North American for transacting insurance as an unauthorized insurer.

R.C. 3905.01 requires a license by the Department to procure an application or quote premiums for, discuss coverages of, or solicit, negotiate, effect, procure, place, write, deliver, renew, or bind, a policy of insurance through any medium for risks residing, located, or performed in the State of Ohio. R.C. 3927.01 requires all foreign insurance companies to be licensed and/or authorized to conduct business in the State of Ohio. Since the Parties are not licensed or authorized, the Parties have engaged in unfair and deceptive acts and is in violation of R.C. 3901.20 as defined in R.C. 3901.21(A) and/or (B).

PURSUANT TO R.C. 3901.221, IWMSF AND NORTH AMERICAN ARE HEREBY ORDERED TO IMMEDIATELY CEASE AND DESIST FROM ENGAGING IN INSURANCE ACTIVITIES that require a license to engage in the business of an insurance company authorized to do business in the State of Ohio unless and until it complies with the statutes and rules listed above. A hearing to determine the continuation or revocation of this Order, along with any other remedies available under R.C. 3901.221, shall be held at 10:00 a.m. on June 4, 2003 at the Ohio Department of Insurance, 2100 Stella Court, Columbus, Ohio 43215-1067.

5/22/03  
Date

  
ANN H. WOMER BENJAMIN  
SUPERINTENDENT OF INSURANCE



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Marine General  
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FOR PASSENGERS,  
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Use line to anchor line, stem to stem.  
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North/South American Division

North American Marine General Insurance  
20, Bon G. 1097, El Dorado  
Paraná, Republic of Panama  
Tel: 011-507-267-8137  
Fax: 011-507-265-8964

FOR ADDITIONAL INFORMATION CONTACT

This brochure is not a solicitation to sell  
insurance. It is intended for information  
purposes only regarding the background of  
North American Marine General Insurance Co. Ltd.

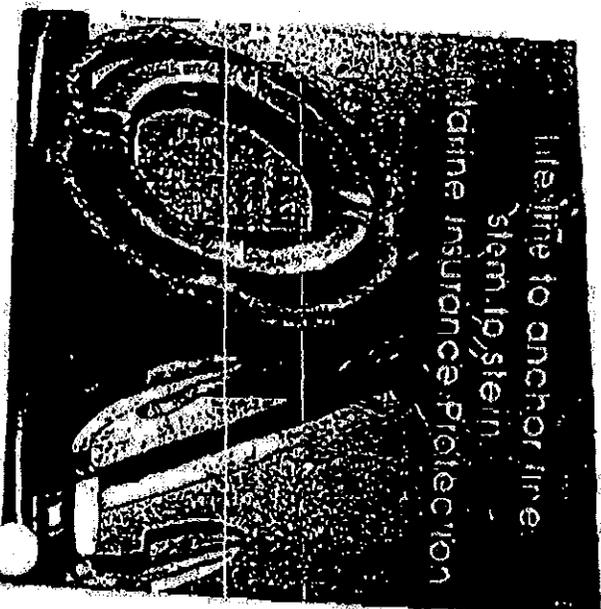
BRINGING BOATERS

A WORLD OF

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NORTH AMERICAN  
MARINE GENERAL  
INSURANCE CO. LTD.



Life line to anchor line  
stem to stem  
Marine Insurance Protection

EXHIBIT

T

# BRINGING BOATERS A WORLD OF MARINE INSURANCE COVERAGE

In 1989 North American Marine General Insurance Co. Ltd. made a commitment to expand operations to North and South America and organized its North/South American Insurance Division to build upon company's established affiliations on the European and African Continents. North American Marine General Insurance Co. Ltd. has a tradition of operating on a sound profitable basis and is dedicated to the highest level of insurance ethics.

The insurance affairs of North American Marine General Insurance Co. Ltd. are managed by Marine Services Ltd., with offices located at Place du Commerce, Marine Services U.A. is an experienced and talented company administrator specializing in marine insurance, marine risk management and marine claims. Senior management has over 15 years of insurance experience.

North American Marine General Insurance Co. Ltd. North/South American Division, concentrates its underwriting business in the U.S. and South America and specializes in recreational boating and owner/operated charter boat programs.

The specialized market segmentation assures that the North/South American Insurance Division is positioned to be very competitive within the field of recreational boating and owner/operated charter boat insurance programs.

Admirably, because of this specialization, each and every policy holder is considered a valued asset and customer.

Because of this, the North/South American Insurance Division is very careful in the selection of brokers, of claims representatives and of how its insurance products are marketed to the consumer. Therefore, North American Marine General Insurance Co. Ltd. has positioned itself to offer to the recreational boater and/or owner/operated charter boats:

- A full range of coverages for the boat, trailer and accessories while afloat or ashore.
- Protection and indemnity coverage that protects the owner from legal losses resulting from the use, ownership, maintenance and storage of the boat and motor.
- Medical coverage for passengers, voluntary crew and friends on board, including medical and surgical expenses for injuries.
- No restrictive territorial limitations.
- Prompt, fair claims service, provided with the assistance of a local claims representative to ensure that our staff processes each claim to reimburse the dollar limit for each boat.

Competitive premiums that can even include substantial discounts relating to marine experience, investment in boating safety programs, and/or associations to which you belong retaining either of the foregoing.

The direct marketing approach, centralized through local broker(s) saves customers' money as it avoids expensive advertising campaigns.

The International Marine Safety Foundation insures all its members through a group ocean marine policy underwritten by North American Marine General Insurance Co. Ltd.

To find out more about what North American Marine General Insurance Co. Ltd. can offer you and your boating insurance needs, just call the 800 number of the broker indicated on the back panel.

**NORTH AMERICAN  
MARINE GENERAL  
INSURANCE CO. LTD.**