



## First Choice Now Features Expanded Coverages, Broader Underwriting Acceptance, and Even Lower Rates in Many Cases

**Launch States:** Alabama, Mississippi, North Carolina, Michigan, Ohio and Texas

**Effective Dates:** New Business – **June 1, 2008** and Renewal Business – **July 23, 2008 for all states excluding North Carolina (August 15, 2008).**

### New Coverages Will Help Boost Your Boat Business.\*

- Liability protection is now available at a limit of **\$1,000,000 CSL**. Please review the guidelines for types of boats and customers that are eligible for this increased limit.
- **Total Loss Replacement Cost** is available for boats new to three years old.
- **Market Value Coverage** for boats new to 10 years old is a money saving option for your customers.
- Our new **Yacht Plus Endorsement** is similar to our Advantage Plus Endorsement, but provides increased Personal Effects coverage and includes Rental Reimbursement and Travel Loss Reimbursement for costs associated with emergency travel, lodging and meals.
- We've increased our standard policy language to allow for more general use in fishing tournaments. But, our new **Professional Angler Endorsement** will cover semi-pro and pro anglers who earn more than 50% of their annual income through fishing tournaments, endorsements, etc. And the endorsement provides **Tournament Fee Reimbursement**.
- **Underinsured Boater Coverage** is added to all package endorsements like the Advantage or Advantage Plus for no increased premium charges. It is also included in the new Yacht Plus and Pro Angler endorsements.
- **Boat Lift Coverage** is an added option that will cover physical damage losses to lifts used for the insured watercraft.
- **Diminishing Deductibles** are now available, and your customers will continue to earn a renewal discount even if they've selected this coverage option! The competition does not typically provide both.
- We now provide a **Named Storm Exclusion Option** for customers in East and Gulf coastal territories who are interested in a money saving option on coastal rates.

\*These are descriptions of coverage only. Please refer to the enclosed First Choice and JetSport Underwriting Guidelines for clarifications.

### We've Also Improved our Current Coverages and Procedures.

- **Agreed Value** is now available for all boats, regardless of length and age.
- **Extended Parts Replacement (previously Extended Partial Loss)** now provides replacement cost protection for parts up to **10 years old**. That's all parts, not just some parts like other carriers may offer.
- **Medical Payments** is still included at \$1,000 but is now available up to \$25,000; and is now a primary coverage for all injured, including the insured persons and family members.
- Our navigation limits now allow for use in **Mexico lakes**, as long as the lake is shared between Mexico and the United States (examples include International Falcon Reservoir and Lake Amistad in Texas). Other policy provisions and limitations do apply, so please read the revised policy language.
- Depending on the length of the watercraft, our limit for **Other Electronics** (TVs, stereo, microwaves, etc.) has increased from \$2,500 to a maximum of \$15,000.
- We've moved to territory rating, which means you no longer have to know if the boat is stored within 10 miles of the coast. Just provide the mooring ZIP and modernLINK® takes care of the rest.

### Broader Underwriting Acceptance Means One Program Should Fit Most of Your Needs.

We've increased our eligibility, and we continue to provide fast and easy quoting for all eligible risks through our award-winning modernLINK system. Some risks will still require approval from a company underwriter or your approving authority. Improvements include:

- **Boat values up to \$500,000.**
- **Performance Boats up to 120 mph.\*\***

- **Bass Boats up to 90 mph (with no increased speed charges).**
- **Sport Fishing boats up to 79 mph (with no increased speed surcharges).**
- **Airboats and Hovercraft**
- **Houseboats up to 125 feet**
- **Quad outboard engine Sport Fishers**

\*\* Performance boats are subject to expanded underwriting rules, named operator provisions and require submission to a company underwriter for review and approval.

### All These Improvements and Many Lower Policy Rates.

Below you'll find some examples of how our rate changes will improve your ability to place business in our First Choice program. While your specific state may not be shown below, the samples show you the impact of adjusting rates countrywide for 50+ year old owners, boat ages 8-14 years, boat values under \$60,000, etc.

Example 1: 45 year old owner of a 2000 Bass Boat worth \$20,000.

| State    | Current Premium | Revised Premium |
|----------|-----------------|-----------------|
| Georgia  | \$483           | \$393           |
| Maryland | \$428           | \$342           |
| Michigan | \$433           | \$301           |

| State          | Current Premium | Revised Premium |
|----------------|-----------------|-----------------|
| Oklahoma       | \$500           | \$418           |
| Pennsylvania   | \$428           | \$318           |
| South Carolina | \$483           | \$393           |

Example 2: 55 year old owner of a 1996 Cruiser worth \$50,000.

| State      | Current Premium | Revised Premium |
|------------|-----------------|-----------------|
| California | \$640           | \$477           |
| Missouri   | \$632           | \$366           |
| Minnesota  | \$632           | \$386           |

| State          | Current Premium | Revised Premium |
|----------------|-----------------|-----------------|
| New Hampshire  | \$623           | \$473           |
| North Carolina | \$709           | \$538           |
| Washington     | \$614           | \$414           |

All rate samples consider only base policy coverages (Agreed Value for boats up to 10 years old, Market Value for boats 11+ years old, \$1,000 Med Pay), 300/300/300 liability and no discounts / surcharges. Samples are subject to change based on individual state approvals.

### Online Training Sessions are Available.

We also offer various training sessions for these exciting Watercraft program changes. If your agency is interested in this training simply log on to modernLINK® and you can register for instructor-led modernLINK training or you can also choose our self-paced Interactive training modules. Sign up today on the modernLINK homepage!

### Additional Advantages with First Choice.

- **Broad Navigational Allowances and No Lay-Up Warranties.** No specific navigational limits here. Your customers can trailer the boat to another state, or navigate in coastal waters (offshore distances apply). We also provide full, annual coverage with no annoying lay-up provisions.
- **First-Class Service with American Modern Service Center.** This dedicated and experienced group will fully support your quoting, underwriting, and processing needs. Call toll-free at 1-877-459-7767.
- **All 2008 program materials can be downloaded from eForms on modernLINK.** In just a few clicks of the mouse, you get unlimited access to all the 2008 program materials you need, any time of the day.

The **Think of Us First** card is a terrific quick reference guide to all our specialty coverages, both property and casualty. Both are available in the eForms Library on modernLINK.

This bulletin gives the highlights of our 2008 program. Please refer to your guidelines and policy forms/endorsements for additional information and details. If you have any questions about our First Choice Program (or our JetSport Personal Watercraft Program), please contact your Sales Representative. If you are a sub-producer or broker, please contact your General Agent.

Sincerely,



Paul Sexton  
Watercraft Product Manager, Recreational Casualty Products  
American Modern Insurance Group