



2008-2011 BUSINESS GROUP PROFESSIONAL LIABILITY INFORMATION BROCHURE AND CLAIMS MADE DISCLOSURE

CARRIER AGENT

Certain Underwriters Lloyds, London, a Non-admitted Carrier
International Recreational Entities Association, a qualified Risk Purchasing Association.
John A Witherspoon IV
Witherspoon and Associates, Inc.
709 Black Horse Parkway, Franklin, TN 37069
(866) 577 - 3483 OR (615) 599 - 0334 FAX (615) 468 - 4777

LIMITS OF LIABILITY

\$1,000,000 any one person, any one incident or occurrence combined single limits. \$2,000,000 annual aggregate. Defense is in addition to policy limits.

COVERAGES

The policy provides coverage for your staff and exclusive subcontracted staff for underwater professional liability for training in, orientation to, and supervision of swimming, snorkeling, and scuba diving or other activities related thereto, for acts, error or omission.

POLICY PERIOD

This policy provides coverage claims which occur after the effective date of coverage and are reported while the policy is in effect. Policy period is from June 30, 2008 to June 30, 2011 midnight.

POLICY FORM

Policy is occurrence form.

RETROACTIVE DATE

Coverage is provided for unknown prior claims to June 30, 2006. Any incident that is known should be reported to your previous carrier within the 60 day extended reporting period.

ELIGIBILITY

Current dive businesses that currently carry dive business insurance with Insurance Management Services, Inc., residing in the United States (excluding Alaska), US Virgin Islands, US Territories or Possessions, Bahamas, and Caribbean are eligible for this insurance.

POLICY SUMMARY

This disclosure is an outline of coverage and a summary of the policy. The policy should be consulted to determine governing contractual provisions.

WARRANTIES

The warranties are listed on the insurance application.

TERRITORY AND DEFENSE

This policy provides Worldwide Coverage.

PAYMENT PROBLEMS

Credit Cards which are disputed without validity will be charged a \$40.00 service fee. Coverage will be voided for lack of consideration if there is no immediate resolution of declined or disputed credit card.

INSURED DUTIES

In the event of an occurrence, claim or suit, you must notify Insurance Management Services, Inc. in writing of any occurrence which may result in a claim.

Such notice shall include:

1. How, when, and where the occurrence took place; and
2. The names and addresses of any injured person(s) and witness(es).
3. Notice Required within 24 hours.

WARRANTIES FOR TRAINING

READ CAREFULLY BEFORE COMPLETING APPLICATION

Notwithstanding anything to the contrary contained herein, in consideration of the coverage provided, in addition to the premium charged, it is agreed that the insured warrants the acts and activities, insured herein, shall conform with the following agreements for dive training, it is agreed that failure to conform to the foregoing warranties shall cause this policy to be considered null and void at the breach of warranty and the underwriter agrees to remit the unearned premium upon demand.

1. During Entry Level instruction and or test, no insured as defined shall leave or permit any uncertified student to leave the immediate area without direct or indirect supervision of an instructor or divecon/divemaster.
 - a. On the first three scuba dives for entry level certification, students are to be under the direct supervision of the instructor for all underwater skill evaluations.
 - b. On the fourth scuba dive for entry level certification, the instructor may conduct the navigational exercise under indirect supervision provided all required skill evaluations have been completed.
2. **Entry Level Training, Advanced Training, and Supervised dives** shall be planned within accepted recreational limits.
 - a. planned to 130 feet/40 meters or shallower
 - b. planned without mandatory stage decompression (safety stops are acceptable)
 - c. made using compressed air or oxygen enriched air (nitrox) only
 - **Supervised Technical Dives** shall be planned with the following limitations:
 - a. Planned to 91 Meters / 300' or shallower
 - b. Made using compressed air, enriched oxygen or trimix only.
3. **The instructor shall require each student to complete a MEDICAL HISTORY FORM, WAIVER, AND AN EXPRESS ASSUMPTION OF RISK** at the beginning of orientation or training. If the medical history form indicates any condition contrary to safe participation in diving activities, the student shall be required to obtain medical approval by a licensed physician based on a medical examination prior to open water training. The medical history forms and waivers of minors are to be signed by parent(s) and/or legal guardian(s). **In no event will medical approval** be accepted wherein the physician signing the certificate is the student.
4. **Before all dive trips which are for orientation or instructional purposes**, the student shall be required to execute a written release and acknowledgment that they know that the dive site is remote and that a recompression chamber may not be readily available and they wish to continue and assume the risks in the absence of a recompression chamber.
5. **No scuba certification** shall be given to anyone under the age of 10 years.
6. **Records used** for the purpose of recording the student's progress shall be maintained by the instructor and/or dive store. **Records of knowledge tests** for the purpose of evaluating the student's understanding of the instructional material shall be maintained by the instructor and/or dive store. **All records** relating to individual students shall be retained for a minimum of five (5) years by the instructor and/or dive store.
7. **Introductory Experience** programs must be conducted in accordance with Recreational Scuba Training Council (RSTC) Standards. This warranty does not apply to confined water only experiences being conducted by properly certified instructors.
 - Any dishonest, fraudulent, criminal, or malicious act or omission of the insured.
 - The assumption of the liability in a contract agreement.
 - The performance of a criminal act or caused by a person while under the influence of intoxicants or narcotics.
 - For liability arising from the acts other than those that have been approved and sanctioned for aquatic organizational instruction, orientation or supervision.
 - To "bodily injury" or "property damage," resulting from the use, supplying, rental, or sale of any equipment including but not limited to regulators, gauges, compressed air, buoyancy, compensation devices, air cylinders, dive tables, or decompression computers.
 - Any civil, criminal or administrative fines or penalties levied against an insured or anyone working on behalf of the insured.
 - Any claim or indemnification for punitive or exemplary damages.
 - "Damages" arising out of an act, error, or omission:
 1. Disclosed in your application of insurance or any accompanying documents provided to us; or
 2. You had knowledge of or information on, prior to the first inception date of continuous claims made coverage with us, and which may result in a claim.
 - For liability arising out of any commercial or industrial activities, including but not limited to welding, construction, salvage, repair, maintenance, inspection or fishing activities.
 - For any claim arising out of or resulting from sexual abuse or harassment or licentious, immoral or sexual behavior, whether or not such act is intended to, or culminate in any sexual act, whether caused by, at the instigation of, at the direction of, or as a result of any act or omission by the insureds, his/her employees, patrons or from any causes whatsoever.
 - Other exclusions as per policy wording.

EXCLUSIONS

OPTIONAL COVERAGE

TECHNICAL COVERAGE

Technical coverage can be extended to provide coverage for training programs that exceed traditional program parameters. Recreational technical diving is that which is not commercial and automatically specifies the category for diving instruction under any of the following conditions:

- Depth to 300 fsw
- Breathing Gas: EAN of 40 percent oxygen or more, or any other non-air mix.
- Planned Decompression

This coverage applies only to teaching and supervision of recreation technical diving that complies with Standards & Policies. This coverage is an extension to the primary Instructor Liability and cannot be purchased on its own.

- Restrictions: Coverage is available only to Active Status Technical Instructors and Qualified Divecons/Divemasters or Assistant Instructors

PREMIUMS

Cost includes Premium, E & S Taxes, and Association Fees.

Premium Fully Earned (except when cancelled for non-payment of premium)

To Calculate the premium use the two formulas below:

# Income	Program	# of Certifications	Program
> \$25,000	I	> 125	I
\$25,001 to \$50,000	H	125-250	H
\$50,001 to \$100,000	G	250-500	G
\$100,001 to \$150,000	F	500-600	F
\$150,001 to \$200,000	E	600-1000	E
\$200,001 to \$250,000	D	1000-1250	D
\$250,001 to \$350,000	C	1250-1750	C
\$350,001 to \$500,000	B	1750-2500	B
Above \$500,000	A	2500 +	A

Enter amount of Gross Water Receipts: \$ _____

Enter amount of Certifications: _____

Program from above: _____

Program from above: _____

Higher Program: _____

(this is the premium category to choose on the application.)

Enter amount of Gross Water Receipts: \$ _____ 127,000 _____

Enter amount of Certifications: _____ 635 _____

****Example****:

Program from above: _____ F _____

Program from above: _____ E _____

Higher Program: _____ E _____

(this is the premium category to choose on the application.)