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Underwritten By:
**Progressive Casualty Insurance
Company**

Claim Number: 20-1068426
Loss Date: October 23, 2020
Document Date: December 23, 2020
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BRANDON C FERNALD
510 W 6TH STREET
SUITE 700
LOS ANGELES, CA 90014



claims.progressive.com

Track the status and details of your claim,
e-mail your representative or report a
new claim.

Claim Information

We have determined there is partial coverage for the above referenced claim. This letter will explain the basis for the determination. We do not waive and specifically reserve the right to assert any additional coverage issues that may be or become applicable.

Our coverage investigation has revealed the following: You reported damage to the prop shaft on your 2001 Searay Boat that occurred on 10/23/2020. Upon inspection of the damage, there is no report or evidence of an impact which would have caused the damage being claimed. The prop shaft shows beachmarks and signs of a fatigue failure. Any transmission damage would be related, whether directly or indirectly, to the prop shaft failure. After the prop shaft broke, it collided with the prop and rudder causing damage.

Your policy, 2748 (05/11), states:

CALIFORNIA BOAT AND PERSONAL WATERCRAFT POLICY INSURING AGREEMENT

In return for your payment of the premium, we agree to insure you subject to all the terms, conditions, and limitations of this policy. We will insure you for the coverages and the limits of liability shown on this policy's declarations page. Your policy consists of the policy contract, your insurance application, the declarations page, and all endorsements to this policy.

PART IV - PHYSICAL DAMAGE COVERAGE

INSURING AGREEMENT - COLLISION COVERAGE

If you pay the premium for this coverage, we will pay for sudden, direct and accidental loss to a covered watercraft resulting from collision.

INSURING AGREEMENT - COMPREHENSIVE COVERAGE

If you pay the premium for this coverage, we will pay for sudden, direct and accidental loss to a covered watercraft that is not caused by collision.

A loss not caused by collision includes:

1. impact with an animal (including a bird);
2. explosion or earthquake;
3. fire;
4. malicious mischief or vandalism;

5. missiles or falling objects;
6. riot or civil commotion;
7. theft or larceny;
8. windstorm, hail, water, or flood; or
9. breakage of glass not caused by collision.

EXCLUSIONS - READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART IV.

Coverage under this Part IV will not apply for loss:

8. caused directly or indirectly by:
 - a. wear and tear;
 - d. mechanical, electrical, or structural breakdown;

After applying the facts known to us to the applicable policy language we have concluded that we are not able to afford coverage for the prop shaft or any transmission damage for the above captioned claim **because the prop shaft broke due to metal fatigue that has occurred over time.** Any transmission damage would have been caused due to the prop shaft failure. Damage that occurs over time or that is caused directly or indirectly by wear and tear and/or mechanical breakdown is excluded in the policy, as outlined above.

There is coverage for the damaged prop and rudder, but those damages are below your \$5000 deductible.

Should you not be satisfied with the handling of this claim, please immediately contact my supervisor, Matthew Lynch, at 626 434 6923. You may also wish to discuss any wrongful denial or rejection concerns with the following state agency:

California Department of Insurance
Claims Services Bureau
300 South Spring Street
Los Angeles, CA 90013
Telephone: 1-800-927-4357 or 1-213-897-8921
<http://www.insurance.ca.gov/01-consumers/101-help/index.cfm>

Please be advised that unless otherwise tolled, the California statute of limitations is two years from the date of loss for a bodily injury claim and three years from the date of loss for a property damage claim.

You have the right to consult with an attorney of your own choosing, at your own expense, with respect to the issues raised in this letter. If you have any information that contradicts the facts as revealed by our investigation to date or any other information you feel should be considered please contact me immediately.

DAVID R ADEN
Claims Department
1-858-609-2737
1-800-PROGRESSIVE (1-800-776-4737)
Fax: 1-833-958-1219

