

First Edition

THE BOAT OWNERS COLLECTION



Selecting Insurance
To compare & contrast providers



Kimberly Ann Brown

The Boat Owner's Collection: Selecting Insurance

A checklist to compare & contrast providers

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1st Edition

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Insuring your sailboat – understanding the variables

Depending on where you are in the world you may or may not need to buy insurance for your boat. In many cases it's not mandatory if you paid cash for the boat and have it anchored out in a bay.

Insurance, however is often required if you've taken a loan out on the boat. The financial lender will want to protect its interests in the asset. And every marina that I've ever been to has asked to see insurance documents before anything else. Furthermore, for your own peace of mind insurance provides help when it's often needed the most!

When looking for the best value for money it's important to call around and compare and contrast a few insurance providers. It's also imperative to know that the cheapest deal isn't always the best deal. To ensure you get the best insurance for the most reasonable cost, use the following checklist to find an insurance provider.

The objectives of this guide are as follows:

- To know what questions to ask when looking into marine insurance
- To compare and contrast different insurance providers so to choose a policy that best fits your budget and requirements

When filling out the table below, only enter information that is relevant to your particular needs and wants. Skip anything that doesn't apply.

Before we continue, here's a tip: Every year at renewal time, make sure to get quotes from alternative providers. If you get a better deal somewhere else, approach your current provider and ask them if they'll be prepared to lower your premium. More times than not you'll be able to negotiate a deal.

Items to compare/contrast between insurance providers

What is the cost of the policy?	
What is the deductible?	
Does the policy have cancellation and/or administration fees? (Many insurance companies do not want boaters to take out insurance for just a short boating season)	
Can you pay by installments without any surcharge or interest rate?	
What is the claim procedure?	
Does the policy cover the policyholder when skippering a borrowed or chartered yacht (does that matter to you)?	
Are there situations when the policy deductible doesn't have to be paid? (For example, some insurance companies do not apply the deductible if your vessel was correctly moored and damaged by a Third Party vessel that was underway OR when there are claims for total, loss, personal effects, or damage by lightening, fire or theft)	

What are the coverage limits for:	
- Boat	
- Equipment	
- Liability (note that some marinas have a minimum requirement on this figure)	
- Medical Payments	
What is covered under 'boat equipment'?	
- Anchors	
- Batteries	
- Bilge pump	
- Boat furniture	
- Deck chairs	
- Depth finders	
- Life preservers	
- Horns	
- Masts	
- Mooring cleats and lines	
- Oars	
- Seat cushions	
- VHF Radio	
- Plotters	
- Tarpaulins/covers	
What about additional coverage such as:	
- Emergency services	
- Wreck removal	
- Personal effects	
- Towing	

What is not covered or excluded by the policy? Here's a list of some typical exclusions:	
- Damages due to wear and tear	
- Scratching	
- Deterioration	
- Rust and corrosion	
- Mold	
- Wet or dry rot	
- Latent or physical defects	
- Structural mechanical	
- Electrical breakdown or overheating	
- Freezing (unless reasonable care was used to winterize the boat)	
- Repairs, renovations, servicing and maintenance	
- Damages from illegal transport or trade	
- Intentional or criminal acts	
- Damage from business pursuits	
- Damage if the boat is in a race or other contest	
- Neglect	
- War or warlike acts	
When you call your insurance provider are they open 24 hours? Do they have their own internal helpline or is it outsourced?	

<p>What are the navigational waters limitations? Where can and can you not sail? For example, our insurance provider required us to be above 30 North during the hurricane season when we were in the Caribbean. We also were not covered to go into Turkish waters under our policy.</p>	
<p>How does the insurance provider calculate the amount of a claim? 'Actual cash value' (ACV) - ACV is equal to the cost to replace the boat, less an amount for depreciation. There's also 'agreed value' or 'stated value' settlement. If the boat is destroyed as a result of a covered cause of loss, you'd get the previously agreed-upon amount. There's also 'replacement cost value' (RCV) and this means that you'll be paid an amount to replace the boat with a like kind and quality of boat</p>	
<p>How is it possible to potentially lower an insurance premium?</p>	
<ul style="list-style-type: none"> - Increase the deductible 	
<ul style="list-style-type: none"> - Take boat safety courses 	
<ul style="list-style-type: none"> - Maintain a good motor vehicle record 	
<ul style="list-style-type: none"> - Remain claim free 	
<ul style="list-style-type: none"> - Carry up-to-date fire extinguishers and VHF radios onboard 	
<ul style="list-style-type: none"> - Ask about multi-policy discounts if you have other policies with the same insurer 	

<p>What is the policy on rigging renewal? (Most providers will only provide 100% on demasting if the rigging has been renewed every 10 or so years. After a set time frame the percentage payout goes down)</p>	
<p>What does the policy state about hurricane and typhoon areas? (Do you have to have the boat securely stored or out the area at particular times? If you stay in a hurricane zone, is the payout reduced by a percentage)</p>	

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If you have any suggestions, additions or improvements to this guide on comparing and contrasting insurance options, please email them to: [Kim@SailingBritican.com](mailto:Kim@SailingBritican.com) and I'll add them to future updates.

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