

Price Shopping For Boat Insurance?- Beware!



Comparison shopping for a certain item is relatively easy. For example, if you decide on a certain brand and model of a TV, you can just purchase the item from wherever you get the best price, unless of course someone is offering a service contract or some other feature besides the TV. The item is going to be the same thing from wherever you buy it so going with cost being the most important factor in your choice of where to purchase makes perfect sense.

Buying insurance is not like this at all. Be wary of making a price-driven decision for an insurance policy, as there can be many differences in cov-

erage. Only a licensed insurance broker can give you proper advice about insurance coverage. With boat insurance, just thinking all you need to be concerned with are the limits for the hull and machinery, deductible and liability (bodily injury/property damage) limits, you are wrong. Below are important factors to consider when comparing coverages on quotes and policies:

1. Hull & Machinery – Types of physical damage that could occur to your boat are collision with either another craft, dock, object in the water such as a rock or log, damage by a falling tree, hail, wind-

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Options can include:

- **Total Loss Replacement**
Agreed Value - without the worry of depreciation. Replaces your boat with a brand new one of similar make and quality.
- **On-water Towing**
- **Wreckage Removal**
- **Property Damage Liability**
- including oil spills.
- **Medical Payments**
- including Waterskiers.

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Boat Insurance



storm and damage by firework's cinders, ashes or debris . Would a claim be adjusted based on Replacement of a new boat for yours, Agreed value (with no depreciation), or Actual Cash Value (with depreciation). What year is your boat? Reduction for depreciation for a partial loss could be huge, and your out of pocket expense to make up the difference could be large.

2. Recovery- If your boat runs aground or sinks, you are responsible for its removal. Does your policy or the quote include coverage for this? A recent claim in our office involving a sailboat needing to be removed from a sand bar cost \$4,000. So, as you can see, if your boat sunk in deep water, a recovery charge could be a huge out of pocket expense if you did not have this coverage.

3. Navigational Territory - Be sure it includes where you are using your boat. If you are outside this area and you experience a loss you may be out of luck with a claim payment.

4. Uninsured boat liability – Since boat insurance is not required in NY State, many boats of all sizes are operating without insurance. These boaters, of all ages and levels of experience may cause injury to you and your passengers and may not have a policy you could recover your loss from.

5. Towing- check the limit offered and whether it is for the policy year, or 1 incident.

6. Fuel Spill Liability – You would be responsible for cleanup of a leak or spill. How large is your tank? Clean up could be a big cost.

So, as you can see, the purchase of insurance is much more involved than purchasing a tangible item. Your best bet is to use a local broker who has licensed professionals to research various companies rates and coverage and tailor a policy specific to your needs. This is not the time to be a cheap-skate as insurance is protection for you, your family, your assets and your future, as well as insuring the item on the policy whether it be your boat, your car, home or something else.

Many of the insurance companies we represent offer special endorsements you can add to your policy. We welcome calls for coverage/price comparisons for your homeowners insurance! We can be reached at 914-271-5188 Monday – Friday 8:45 am – 4:45 pm, or by email – cathykaras@karasinsurance.com.

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