

WHAT INSURANCE DOES YOUR BOAT CLUB OR MARINA HAVE?



Half Moon Bay, Croton on Hudson, NY.

photo courtesy Youtube.com

Your Insurance with Cathy Karas.

You may have purchased your own boat insurance policy to protect the value of your purchase either voluntarily, since you own the boat outright, or to comply with a loan requirement if you borrowed funds for your purchase. Typically the boat club, marina or town/village/city owned dock requires you to have boat insurance. Why is this required you might ask? Why would they care about what happens to your boat or if an injury occurs to you or a guest? Although the boat club or marina that owns or rents the property it is located on and space where your boat is docked, moored or stored on land has their own insurance, they do not want their own insurance to pick up any potential claims for bodily injury and/or property damage or defense costs resulting out of your "negligence". Some examples of claims that could occur might be:

1. Leaving the dock you forget to disconnect the electrical connection damaging the entire system for all boats in your area, causing an outage and repair required to restore service.
2. Approaching the dock to return the wind pushes you forward at a speed that causes you to crash into the dock and/or another boat causing extensive damage.
3. While boarding, you passenger slips and falls getting into your boat, requiring a hospital visit with a potential long term injury.
4. An electrical malfunction occurs on your boat overnight causing a chain reaction fire to other boats and the dock.

As you can see, for the small price of boat insurance, you can protect yourself with buying a high limit of bodily injury/property damage liability insurance. How much is enough you might think? More than the value of all of your combined assets. Keep in mind you can potentially be sued for future earnings and even have your wages garnished! Personal umbrella liability insurance can be purchased with \$1,000,000 or higher limits, which is recommended, in addition to have the highest liability limit on the boat policy that is offered.

Let's see what types of insurance you boat club or marina should have, depending on the type of organization and the specific operations of the members.

COMMERCIAL GENERAL LIABILITY - Pays for injury and/or property damage to a nonmember the club is libel for due to their negligence. Examples could be a slip and fall injury on the property or someone attending an event and becoming ill from improperly prepared or stored food.

MARINA OPERATORS LEGAL LIABILITY - Pays for damage or injury caused through the operations of the club while a boat is being hauled, launched, repaired, stored fueled etc. Damage to a boat falling off its jack stand or an injury resulting from a faulty repair would be examples of possible claims.

MEDICAL/ACCIDENT - Covers injuries to the club members if they are injured on the premises and includes injuries resulting from the operations described above.

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LIQUOR LIABILITY - Pays for damages the club may be sued for due to injury or property damaged caused by over serving alcoholic beverages to someone at a club function or in the bar.

FIDELITY BOND - We'd like to think everyone is honest, but we hear all the time about the misappropriation of funds by employees of organizations and even volunteers for nonprofit organizations.

BUMBERSHOOT - Also known as an Umbrella, provides additional limits above the primary policies such as commercial general liability, marina operators liability, auto and/or workers compensation. Sometimes required by a municipality if you are on their property. This is usually available in increments of millions, starting at \$1,000,000.

WORKERS COMPENSATION - If any salary is paid, then the State law would require this type of policy which pays back partial salary and also medical benefits if you were to be injured while on the job. If someone is paid to tend bar or clean they could be an "employee" and require this coverage.

PROPERTY INSURANCE - Does the club own the building, storage shed, business property (tools, furnishings), boat, pile driver, crane, or any tangible property? These items should be insured at replacement cost, if available. If you are a tenant and you have improved your space, then you should have your policy include a limit for "improvements

and betterments". Fire insurance can usually be purchased for docks.

FLOOD - Think Storm Sandy. What is your distance to water and your exposure to damage?

DIRECTORS & OFFICERS - Being on the Board of any organization leaves you liable to a law suit in your personal name. Be sure your boat club or whatever organization you may be on the board of has this type of insurance. You don't want to risk your personal assets for some volunteer work!

No two boat clubs, or organizations of any type for that matter have the same operation or need the same insurance. An insurance broker that represents many companies and is familiar with the needs of the type of organization you belong to should be able to help you understand your needs and get quotes to place the right type of coverage for you.

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