Boaters Encounter
Sea Change

By Ed Gumbrecht,
Chief Operating Officer,
Gowrie, Barden & Brett

The yachting media is abuzz lately with articles about the rising price of insurance premiums and the lack of available coverage for boaters. SAIL, and Cruising World magazines have featured stories on the topic in recent issues and the insurance trade journals are sounding the same message. It is becoming more difficult and expensive for boaters to insure their boats.

There is no doubt that the marine insurance industry is undergoing a sea change. Stalwarts of the business including Royal and Atlantic Mutual have exited the industry, and the remaining insurance carriers are becoming more restrictive in their underwriting. Pricing is up sometimes more than 20% over the last twelve months.

In the insurance world, such conditions are called “hard market”. For boaters, the hardest part of the insurance market cycle which changes every several years is right now.

While we all look forward to the point in the future where insurance underwriters become less restrictive and pricing becomes more competitive, every boat owner should consider employing the following methods to mitigate the rising premium tide.

Four tips for managing your premium dollars:

1. Review your deductible. By increasing your deductible from 1% to 2% of hull value you can often save significant premium dollars.
2. Consider placing your yacht, home, auto and umbrella coverages with one company. Many insurance

---

Boat Safety and Maintenance Guide

Use this helpful checklist to ensure your boat is safe and seaworthy. Refer to your owner’s manuals for recommended preventative maintenance. At least once a year (preferably at commissioning), ask your yard, marina or surveyor to go over your boat, engine(s), and systems to ensure all are in good working order. Continued on page 2

---

SeaRay 450 Express Bridge Courtesy SeaRay
How to Handle a Claim

By Nancy Sprigg,
Marine Claim Specialist,
Gowrie, Barden & Brett

The most difficult situation a boater faces is when their vessel is damaged. As your agent, we will help you get your boat repaired as quickly as possible so that you do not miss valuable time on the water.

The most important responsibility that you have when there is damage to your boat is to report it as soon as possible. A claim can be reported directly to the company or through us. If you are unsure that it is a covered loss, or if you have any questions concerning a possible claim, call us. If you are in a situation that keeps you from reporting the incident right away, take pictures. Never have repairs done without giving the opportunity for your insurance company to see the damage or estimate before the work is done. This could result in the claim being denied.

Once you have contacted us with the claim information, we will fax a report to your company. Usually within 24 hours you will hear from the adjuster, your contact at the company. If you do not, contact us and we will follow up on your behalf. Depending upon the amount of damage or the type of claim, the company may or may not decide to assign an independent marine surveyor. The surveyor’s job, is to go out and look at the damage, determine the cause, work with the yard, and try to come up with an agreed amount to do the repairs. His report is sent to the adjuster at the company. Payment in most cases is sent within thirty days after the company receives an estimate or final invoice.

In the event of a loss, our commitment is to get you

Safety and Maintenance Guide
Continued from page one

Hull:
• Replace zins including zins in the heat exchanger and after cooler if so equipped. Don’t over-zinc.
• Check propeller shaft and rudder stuffing boxes, and adjust or repack as required.
• Clean all thru hull fittings and intake scoop strainers and sea strainers.
• Clean all seacocks and check for proper operation.
• Check all hoses and clamps for wear and proper seal. Replace any questionable hoses and clamps.
• Check all plastic thru-hull fittings which may crack from sunlight exposure.
• Inspect propeller, shaft strut and cutlass bearing for wear and alignment.
• Replace gate valves with approved seacock.
• Check inspection plate of outboard motor well for seal and condition. Does the wiring harness and steering cable pass through the side of the outboard well? Is there a rubber boot on the opening to flooding?
• Check fuel lines for chafe, wear and deterioration.

Machinery:
• Tune up your engines/motors.
• Change lube and gear oil, and filters.
• Check gear oil in i/o’s and outboards. Replace gear oil every year. A milkshake gear oil condition indicates water in the gear
back on the water as quickly as possible. The following checklist reinforces the steps you should take if you have a claim.

In the Event of a Loss

- Protect and recover: Protect the property insured from further loss. Make every effort to recover it.
- Take pictures of the damage.
- Write a complete accident report, including time of day, location, weather conditions, and all other vital details. Submit a claim report
  - To report a claim: you can either
    a. Submit a claim report and/or call us at 800-262-8911 8:30-5:00 EST or
    b. Call the insurance company directly, we are your agent

- Notify the authorities in the event of a theft, vandalism, collision or bodily injury.
- Permit survey of vessel prior to repair. Do not begin repair work until after you have reported the claim to us and a surveyor has been out to inspect the damage.
- Assume no obligation, admit no liability or incur any expense for which we are or may become liable without our permission except expenses incurred to protect the property from further loss.

Most claims are settled quickly. We want the claim process to be smooth and painless. **If at any time you need advice or have questions, please do not hesitate to contact us. — Nancy Sprigg**

- Inspect exhaust elbows and manifolds, especially if raw water cooled. Scaling leads to overheating, water intrusion and engine damage.
- Service the stern drive (replace water pump and change gear oil) and check the bellow for condition. A cracked bellows can lead to flooding or sinking.
- Check engine oil coolers.
- Check the raw water intake fittings, hoses and pumps. They should be clean with no seaweed, barnacles or other restrictions. The impeller should be replaced each year or every other year per your owner’s manual.

**Electric:**

- Have your boat yard or marina electrician check the condition of your DC and AC systems each year.

**Rigging:**

- Check chain plates and bulkheads for integrity. Correct any deck or fitting leaks. Sealants deteriorate over time and fittings should be rebbeded.
- Mast and all rigging, halyards and sheets, wage fittings, sails, etc. must be checked each year by a qualified rigger. Check shrouds for broken wires. Check swage fittings for corrosion or cracks. Clean and service all winches, sheaves and pulleys.

- Inspect your roller furler.
- Inspect your mooring, chain and shackles. Do you have chafe gear on the pennant? Does the pennant have a straight run from the bow cleat through the bow chock? A sharp turn here can lead to chafe. Is the pennant of adequate size?
- Check dock lines. Is there a straight lead from the cleat to bow chock and on to the dock? Are lines of adequate size for the vessel and heavy weather conditions? Do you have the adequate number of bow, stern and spring lines?

**Safety:**

- Check all bilge pumps for manual and automatic operation. Is there an audio and visual indicator to show pump(s) operation?
- Does the vessel have a high water bilge alarm? It should.
- Does the vessel have a carbon monoxide detector?
- Check all fire extinguishers for condition. Carry more than required.
- Are your flares current? Do you have enough?
- Check proper number, condition and type of life jackets.
- Check the US Coast Guard and US Coast Guard Office of boating Safety websites for safety equipment requirements, defects and recalls.
Why Insurance Surveys?

By Captain Bill Robbins
New England Maritime Surveyors

Many of you may have been, or will soon be asked by your insurance company to provide a survey on your boat. I would like to explore some of the reasons why, as well as the benefits for all parties involved.

1. Condition:

At 10-15 years of age, most boats start to have a "mid-life crisis"! Even though 10-15 years may seem young, consider the environment that the boat has lived in for that time. Even if there are low running hours on the engines, all mechanical systems have been working, pumping, vibrating, exposed to poor ventilation, condensation, salt water, exhaust and other wear and tear. Machinery does not last forever, and after a moderate amount of use, hoses start to crack, clamps start to rust, seals start to wear out and leak.

Now don't forget that wiring that you did a few years ago for the new GPS; are the wire splices really tight? How about that little water leak at the base of the salon window, or the dripping of your stuffing boxes; do you know where all that water is going?!

All of these conditions may seem minor, but if left unattended, can lead to sinking, burning, delamination, rotten engine stringers, bulkheads (don't forget there is wood inside that fiberglass) and other headaches. These conditions make owners and underwriters very unhappy!

2. Value:

Many of you may have policies that do not reflect current market conditions. An improperly valued boat, either high or low, can adversely affect the owner and/or the insurance company.

If the agreed value of the policy is considerably lower than the true value of the boat, then the owner does not have full protection to repair or replace damage. The owner may be paying a lower premium, but if there is a Constructive Total Loss, they will not be properly indemnified. On the other hand, if the agreed value is far above the true market value of the boat, the owner is paying too much premium, and the underwriter is committed to paying too much for repairs on a boat that may not be worth that value.

3. Grin and bear it

I understand that many of you may be less than enthusiastic about paying for a survey! Think of it as protecting your investment for two reasons. The survey may point out a hazardous condition and prevent an injury or physical damage to you, as well as control your premiums.

Bill's company, New England Marine Surveyors, conducts condition and value surveys throughout the North East and can be contacted at 800-499-6367

Sea Change  Continued from page one

Carriers offer multi-policy discounts of 10% - 20%.

3. Check your lay up period to be sure you are being credited for the time your boat is out of the water

4. Work with an agency that specializes in marine insurance, and be sure they deal with "A" rated insurance carriers. Only a specialist working with a financially strong carrier can provide you the best protection for the best price.

With so much changing in marine insurance the importance of taking a close look at your protection cannot be understated.

Another boating season is upon us. May it be safe and enjoyable for you.

— Ed Gumbrecht