

Your personal belongings are very important to you, and the threat of losing them to an accident, theft or storm is troubling. To protect against the loss of, or damage to your personal property, make sure you have adequate insurance coverage. Some personal items, such as your boat, may require individual, special coverage.

Although your homeowner's policy often provides some coverage for small boats, it is very limited. Typically, about \$1,000 is all that is available to pay for the theft or physical damage to a boat, any outboard motors, the trailer, and any other equipment or accessories. Coverage for theft is usually even more limited than other causes of loss – requiring that your boat be on the property you live on to be covered. Additionally, your homeowner's liability coverage may not extend to your boating activities, depending on the size of the boat and its engine type.

To make sure you have the proper type and amount of coverage for your boat and boating activities, carefully review your homeowner's policy. If the coverage provided by your homeowner's policy is insufficient, additional boat owner's coverage can usually be added to your existing homeowner's policy as an endorsement, or it may be purchased as a stand alone policy.

Florida Department of Financial Services
DIVISION OF CONSUMER SERVICES
200 East Gaines Street
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BOAT OWNER'S COVERAGE

Insurance Coverage For Boat Owners

FLORIDA DEPARTMENT
OF FINANCIAL SERVICES

If you are looking to buy boater's insurance, the following information will help you make a more informed decision:

1. WHAT PERILS ARE COVERED BY A TYPICAL BOAT OWNER'S ENDORSEMENT OR POLICY ?

The typical boat owner's policy or endorsement provides coverage for "all perils" unless specifically excluded. Some of the typical perils excluded are:

- overheating of engines,
- corrosion or rust,
- weathering,
- marring,
- scratching,
- chipping,
- denting,
- damage during repair or servicing,
- normal wear & tear,
- gradual deterioration,
- mold or infestation or damage from insects, vermin, or marine life.

2. WHAT PROPERTY IS USUALLY COVERED ?

The typical boat owner's policy or endorsement provides coverage for the boat, which normally includes equipment that is permanently attached to the boat, such as:

- anchors
- batteries
- bilge pumps
- boat furniture
- boat and motor covers
- cook stoves
- deck chairs
- depth finders
- detachable canopies
- emergency signaling devices
- fire extinguishers
- fittings
- fuel tanks
- horns
- life preservers
- lights
- masts
- mooring cleats & lines
- motors
- oars
- refrigerators
- seat cushions
- two-way radios
- spars
- tackle
- tarpaulins
- trailers

3. WHAT PROPERTY IS USUALLY NOT COVERED ?

The typical boat owner's policy or endorsement excludes the following property:

- beverages and other provisions
- clothing
- fishing or other sporting equipment
- food
- jewelry and other personal articles
- parasails, hang gliders or other devices designed for flight
- photographic equipment
- portable televisions
- stereos, tape decks or other instruments for recording or reproducing sound
- scuba and other diving equipment
- sails, masts or spars while boat is operating in an official race or speed contest
- watches
- water skiing equipment

4. IS LIABILITY INSURANCE A PART OF BOAT OWNERS COVERAGE ?

Normally, yes. Most boat policies provide a stated amount of liability coverage that will pay when an insured becomes legally obligated to pay for damages due to bodily injury or property damage arising out of the ownership, maintenance, or use of a boat. This coverage is subject to certain exclusions or limitations that will vary by company.

5. ON WHAT BASIS ARE LOSSES ADJUSTED ?

Policies differ as to how losses will be settled. Some offer replacement cost coverage (cost of replacement repair); some offer actual cash value (cost of replacement repair, minus depreciation) and others use an “agreed value” (amount paid for total loss of property and agreed to by both parties). Make sure you understand how losses are adjusted under your policy.

6. WHAT KINDS OF PREMIUM DISCOUNTS ARE AVAILABLE ?

There are various kinds of discounts that may be available to help reduce the cost of insuring your boat. Discounts are sometimes given for attending safety courses (such as those sponsored by the Coast Guard, U.S. Power Squadrons and American Red Cross), adding certain safety equipment (such as fire extinguisher and ship-to-shore radios), having a claim-free record, and buying other lines of insurance from the same company. Ask your insurance agent or company about any available discounts.

Note: Some policies contain restricted navigation territories or time frames. If the boat is operated outside these areas or times, the policy may not provide coverage. Find out if your policy includes any of these restrictions.

7. WHERE CAN I GO IF I CAN'T GET COVERAGE FOR AN EXPENSIVE BOAT ?

Surplus line insurance is an alternative type of insurance coverage for consumers who cannot get coverage by the standard method. Surplus lines insurance write coverage for high-risk situations, which include among other things expensive yachts or boats. For a brochure on surplus lines insurance contact the Florida Department of Financial Services Helpline toll-free at 1-800-342-2762.





8. IN THE EVENT OF A STORM WATCH, ARE THERE ANY STEPS THAT I MUST TAKE TO ENSURE COVERAGE TO MY PERSONAL BOAT IF STORM DAMAGE OCCURS ?

It will usually vary by company. However, there is usually some wording to the effect that “reasonable measures” should be taken. Review your policy carefully with your agent beforehand. Marinas cannot require boat owners to remove their vessels in the immediate threat of a storm.

As a practical matter, boat owners should make a reasonable attempt to remove their boats from slips. It’s well documented that boats left in docked slips usually suffer more damage.

Please contact your agent or insurance company for detailed information about your specific policy. You may also contact the Department of Financial Services Consumer Helpline toll-free at 1-800 342-2762 or on the Internet. www.fldfs.com