



The Teaser®

If you are going to pay for it.....

By Capt. Skip Smith

Insurance that is.....you might want to get your money's worth.

People do not like paying for insurance! We all say, "We will never put in a claim ... unless it's the big one." But what's worse is to pay your premium and then have a claim only to find out that you do not have the proper coverage for your loss. If you are going to pay the premium, you may as well make sure you have all the coverage you might need! We tell clients that they are paying for a claim they hope never happens; a policy isn't just a document to show their lender or dock master.

In my 20 years in the business, I have seen too many claims declined for reasons that could have been avoided. Most are due to late reporting. It is the classic scenario where you do not want to put in a claim so you start to repair the damaged props. You send them off to the prop shop, and they come back repaired; all nice and shiny. Meanwhile, the boatyard mechanics tell you that it looks like the shafts are bent and a strut is out of line. You ask for an estimate to repair the running gear and you find out the total cost of the repairs went from an amount just under your deductible to an amount way above it!

You finally call your agent to report the claim but, when the adjuster shows up, the damaged props are no longer available to be inspected. It's the same as fixing your car after a fender bender and then calling your auto insurance agent. What damage? When the estimate for the shafts and strut come in (minus the declined props) the total repair is just under the deductible. Now the entire repair cost comes out of the owner's pocket.

Always report a 'possible claim' immediately after an occurrence happens, either by calling the insurance company or your agent. The sooner a company can respond to a claim, the better they can mitigate it. Take photos, write notes in your log book or, if it involves another boat, call the marine patrol, USCG or local police and get a report, especially if it's not your fault. Document everything!!

For prop damage, take a picture of the props on the boat with the name of the transom shown in the picture. Then go ahead and zoom in on the props. Clients want their boat repaired promptly so they can get back out fishing, but this could save you some money if the prop damage exceeds your deductible. Most people have a cell phone that can take a photo so the excuses are just about gone for documenting damage.

Another type of claim we often see declined is 'mysterious disappearance' or theft. Most policies say there must be 'forced entry' to trigger the coverage. But when the iPads and the rods and reels are gone and there is nothing broken, the Captain says, "Well maybe the thieves used the key in the top tackle drawer"....another claim declined.

Most of today's yacht insurance companies understand that they shouldn't penalize their policyholders for early claims reporting. It's the prudent thing to do. Many claims end up being withdrawn in cases where the claim amount barely exceeds a deductible or falls under a deductible. The underwriters take note of this, especially when your renewal comes up.

Remember, you're not only paying a premium for a comprehensive policy. You're also paying a premium for an agent's expertise and advice. Make sure you are represented by an agent that you feel comfortable asking questions and talking about any incident that may happen to your boat, crew or guests. Maybe even talk a little fishing, too....



Catch-em-up!

Skip