



Why boat insurance is an absolute necessity on the water...

Owning a boat is a dream for many. Going out on the water, hanging with friends and making memories is a great reason for owning a boat. But with big horsepower comes great responsibility! And the first step to responsible boat ownership is making sure you've got comprehensive insurance cover. Leisure Boating looks at why it's essential to have boat insurance.

One cannot place enough emphasis on how essential insurance is to any boat owner. No matter how small your vessel is, it's the time-and-time again situation where one often tends to overlook or delay insuring to save a monthly premium or quick buck, in the belief that no costly incidents will occur.

While many companies only offer marine or watercraft insurance cover, marine and boat insurers offer a wide range of cover that's specific to marine-related risks, which is not generally understood. Unlike automobile insurance cover, there are many factors to consider before taking comprehensive marine insurance.

Apart from fire, theft, repair, parts replacement and accidental damage, one of boat insurance's most overlooked reasons is liability coverage. We spoke to Club Marine Insurance financial and operations manager Russel Duvenhage, to help shed some light on the issue.

According to him, an unfortunate event can result in the boat owner being legally liable when damage is done to a third party's property, loss of life or injury. "Negligence on the part of the boat owner or his passengers could result in exorbitant claims, and cripple one's financial well being," said Duvenhage.

Don't be held liable

If for some reason you're the one responsible (liable) for damage to another person's boat, or property, you'll want to make sure you are well protected. People have the right to take legal action against you for damage that you've caused with your boat, and without insurance, you risk losing your assets, even your life savings! Is this a gamble you're willing to take?

Club Marine Insurance, one of SA's biggest outdoor lifestyle insurance broker companies, places important emphasis on liability cover. The age-old cliché that 'prevention is better than cure' rings true with boating, considering the many risks associated with this popular pastime.

Most boat insurance policies include liability cover which is automatically included in your monthly premium. "Club Marine's pleasure craft standard liability cover for third party, passenger and waterskiers is R2.5 million each. Both third party and passenger liabilities are extendable up to R10 million each upon request," said Duvenhage.

Another thing to check on when shopping for boat insurance is vandalism and theft coverage. This is particularly important if you're docked in a public marina. Many liability policies offer just that: liability coverage. It's easier to steal a boat than a vehicle and being in a public marina means that it'll be even more likely that no one will notice if your boat is out with the wrong owners.

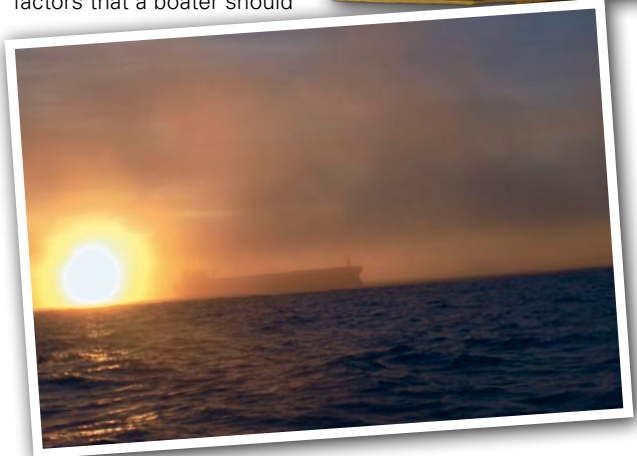
However, there are many other common dangers that face boat owners. Things like submerged objects, shallow water areas, floating debris, poor launching slipways and irresponsible boaters who compromise the safety of other boat owners due to the disregard of basic boating rules. Club Marine, however, covers anything accidental that happens to the boat and also covers malicious damage.



Careful where you boat

Some areas are more dangerous than others for boaters. And where you boat should be taken into consideration when applying for insurance. While some of those areas are famous or infamous, places like Cape Point, Port Alfred's treacherous Kowie Mouth, or The Alphard Banks (Saldanha) might be lesser known, but can be dangerous.

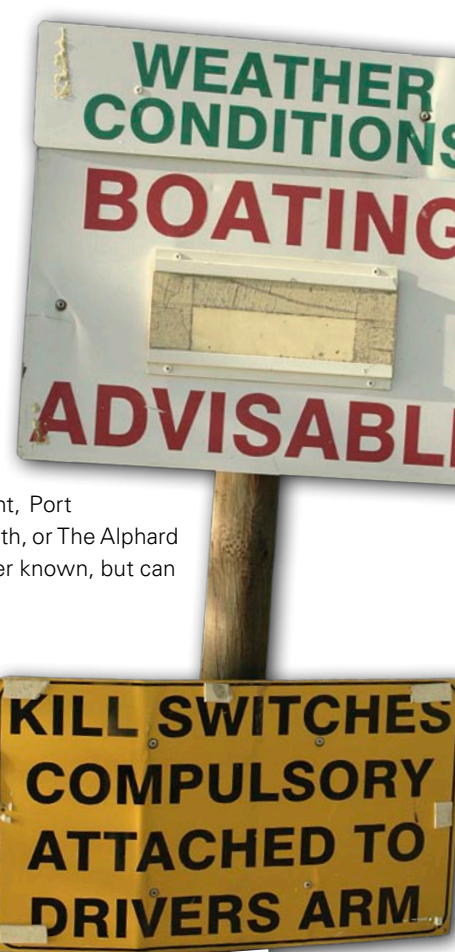
Safety should be a top priority — for both the boat and passengers. Factors such as whether this is a designated launch site, condition of slipway, submerged objects, and mooring conditions are some examples of the factors that a boater should



Treacherous boating areas like the Alphard Banks in Saldanha (as pictured above) can influence insurance premiums.

familiarise himself with before boating in any area. With regards to coastal boating area, there are even more factors to consider such as launch site facilities, surf and weather conditions, rocks, sand banks, tides and currents.

So why is it important for boaters to take into consideration where they go boating? Does the danger aspect of the area have any influence on boat insurance or premiums? "Certain boating destinations can affect premiums and excess's charged by insurers. In addition, the experience of the skipper operating a boat in these areas is also vital," said Duvenhage.



Determining factors

Some of the following factors are taken into account when applying for boat insurance: the year model of the boat's hull and motors, the use of the vessel whether or not the boat is surf launched, where it's stored when not in use and the security measures in place.



Certain slipways and launching areas are also determining factors when applying for marine insurance.

Other factors include the value of your boat, its length, age, the type (sail or power), mooring location, intended area of navigation and how high a deductible you choose. Methods of reducing your premium include accepting a higher deductible, reducing your area of navigation, installing safety devices (like fire extinguishing system in the engine compartment or a vapour detector in the bilge), and making sure the policy provides for "lay-up" periods when your vessel is out of the water.

To get the best rates you will need to do some research and maybe a few other things as well. Knowing the most about insurance and what factors are used to determine an insurance rate is the best way to get the lowest rates possible.

There are predatory insurance agents in this world that thrive on ignorance to get people to accept policies that are too inclusive for their needs thereby increasing their commission. This is not an accepted practice by insurance companies, but it does happen. Only through education will you be truly protected from such happenings.



Installing the necessary safety devices can lower insurance premiums.

"Club Marine is one of South Africa's oldest and most established marine insurance businesses. The company is run by boaters who understand boating and the unique needs of their clients and as a result can tailor-make policies accordingly," Duvenhage continued.

The legislation passed for skippers licenses and Certificate of Fitness (CoF) is not too burdensome, and in turn works to protect you and the insurer by creating safer operators of boats, and thus decreasing the risk of accidents.

It is not necessarily true that the lowest quote will be the best. Some companies offer extremely low rates but coupled with low coverage amounts and services. This may cost you in the long run especially if you need to file a claim and then find out that the problem is not covered adequately.

Duvenhage also added the following: "Pin-pointing exact needs means Club Marine's premiums are usually much lower (up to as much as half) than non-specific insurance companies. Any company offering massive discounts may not always have the best cover and boaters are advised to check their policy wording very carefully before the need to claim arises."

Do not be afraid to ask for a quote that covers all of your insurance needs and not just your boat. You may find that you will save lots of money if you offer to bring all of your business to the company instead of just one thing.

Finally, when shopping for boat and yacht coverage, compare quotes and speak to the experts in marine insurance. Insurance agents outside the field often lack expertise in providing adequate protection for sea-going captains.

“People have the right to take legal action against you for damage you’ve caused, and you risk losing your assets. Is this a gamble you’re willing to take?”

“Watercraft Insurance is a specialised insurance product and needs to be understood and managed as such. Non-specific or normal domestic insurance policies do not have the specialised cover and especially the extended covers for the specific risks related to boaters. The average insurer does not understand the potential risks, the technical aspects of boats or the boating environment”.

When you decide to purchase a boat, boat insurance should be factored into your total cost of ownership. A boat is an important purchase, and with proper planning you can enjoy your boat with assurance that it’s protected with the right coverage for all occasions.

Insurance companies have slightly different views, but one should insure their boat at new replacement value in the first year or two, and then depreciate to a market-related value thereafter. Club Marine policies provide the ability to insure your boat at new replacement value.

In case of emergency

Another option you may want to consider on your boat policy is emergency towing and assistance. If your boat has engine trouble while in the water or while docked, make sure you have someone to call to tow you back to shore. Getting stuck on the dam or on the side of the road without any assistance is not the type of ending to your weekend that you’d ideally want.

“Having good roadside assistance and towing service gives great peace of mind knowing that in the event of an unfortunate occurrence, there is immediate assistance at hand that understands the specific needs of boaters. Club Marine has gone the extra mile to include a superior, 24/7 roadside assistance that has the infrastructure and ability to assist the boat, trailer and vehicle,” concluded Duvenhage.

For more information, please contact Club Marine Insurance on 0861 250350 or visit www.clubmarinesa.com. Alternatively, SMS “QUOTE” to 44077

