Finding the Right Insurance Coverage for Your Boat

Tips from the Marine Insurance Experts at ACE®

Insurance coverage for boats and yachts varies greatly from company to company. Researching and selecting the most comprehensive insurance protection available – to ensure the appropriate level of coverage for your vessel, yourself and your onboard guests – is of the utmost importance. To assist you with this process, ACE Recreational Marine Insurance,® one of the nation's largest marine insurance specialists, offers these tips for smart insurance buying.

1. **Total Loss Settlement –** The most significant coverage difference between various policies is whether the loss settlement basis is "Agreed Value" or "Actual Cash Value." Agreed Value policies typically pay the limit shown on the policy when the boat is deemed to be a total loss. An Actual Cash Value policy may only pay the current market value of the boat, factoring in depreciation. While an Agreed Value policy generally costs more and provides broader coverage, Actual Cash Value polices may suit the needs of an owner looking for an economical alternative with less coverage. Note: Some lenders may require you to carry Agreed Value coverage.

2. **Partial Loss Settlement –** "Replacement Cost" coverage normally pays for damage on a "new for old" basis (less your deductible), and age depreciation is not factored in for most losses. Actual Cash Value coverage for partial losses may reduce your claim payment based upon depreciation, and your policy deductible will apply as well.

3. **Liability Coverage –** Some important Liability features to ask about include coverage for: legal defense costs, wreck removal, oil pollution and contamination clean-up, and non-owned (i.e. borrowed) boats. If you employ a captain or crew, you should ensure that Jones Act coverage is included in your policy.

4. **Medical Payments –** Determine whether coverage includes you and your family, and that your intended activities are covered, such as waterskiing. Given equal amounts of Medical Payments insurance, coverage on a "per person" basis may be preferable to coverage on a "per accident" basis.

5. **Uninsured Boater Coverage –** This is an important feature to have in your policy since many boaters on the water don't carry Liability coverage.

6. **Supplemental Coverage –** Check to ensure that Personal Property coverage and Towing & Assistance are available, and choose the limits that suit your needs.

7. **Seek out the Marine Experts –** Consider working with an insurance agent or company that specializes in marine insurance. They can help you navigate through the different options and select the coverage that's right for you. In addition, marine specialty agents and insurance companies can generally offer broader coverage than a typical auto and home insurer.

Please visit www.acemarineinsurance.com and click on "Locate an Agent" to find an ACE agent or broker in your area.

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