

# I.I.I.: Know Your Boat's Insurance Coverage from Stem to Stern

## Boat Owners Should Review Three Often Overlooked Policy Issues

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**NEW YORK, May 16, 2019**—With [National Safe Boating Week \(May 18-24\)](#) days away, the [Insurance Information Institute \(I.I.I.\)](#) reminds boat owners to secure the right type and amount of coverage for their recreational vessel.

Beyond covering a boat owner in the event of theft, boat insurance policies typically provide coverage to repair a boat if it is accidentally damaged or destroyed due to a collision or because the boat struck a submerged object. Property damage to a boat caused by vandalism, a windstorm, or lightning are also covered under most boat insurance policies.

Boat insurers typically assess risk and price their policies based on differing factors. For instance, a boat owner's operational experience can play a large role in determining a prospective policyholder's eligibility for coverage and what they will pay for a policy. The boat's make, model, age and value often influence the cost of a boat insurance policy, too. In addition, boat insurers want to know the boat's primary cruising areas, also known as navigational

territories.

The I.I.I. counsels boat owners to focus on three lesser-known but important issues when either buying or renewing a boat insurance policy.

- Agreed Value versus Actual Cash Value policies: Ask your insurance professional if your policy provides either Agreed Value (AV) or Actual Cash Value (ACV) coverage. An AV policy means you and your boat's insurer have agreed on the value of your recreational vessel. In the event of a total loss, you will be paid that amount. ACV coverage is typically less expensive than an AV policy but only pays up to the value of the boat at the time the boat was either lost or damaged. Depreciation and wear and tear are factored into the claim payout's amount if you have an ACV policy.
- Lay-up period: Make sure your boat is covered during the off-season. Even when a boat isn't in the water, there is still the risk of property damage. For example, if a major storm hits and a tree falls on your boat, you may be exposed if you are without insurance coverage.
- Navigational territory: Ask your insurance professional if this issue is specifically addressed in your boat insurance policy. If you are navigating the boat in a territory not specified in your policy, you may not be covered if something were to happen there.

Other coverages incorporated into boat insurance policies may include:

- Damage your boat caused to someone else's property.
- Medical payments for injuries incurred by either the boat's owner or its passengers.
- Hurricane haul-out provisions to keep the boat out of harm's way before a windstorm.
- On-water towing and assistance for unexpected breakdowns or running aground.
- Fuel spill liability protection for damages caused by a boat's accidental discharge.
- Personal effects coverage for expensive equipment (e.g., fishing gear).
- Ice and freeze coverage for damage to a boat's engine and water systems.

With a basic knowledge of how boat insurance may help protect you, your boat and others, you can set sail knowing you have the best policy in place.

The I.I.I. has a full library of educational videos on its [YouTube Channel](#). Information about I.I.I. mobile apps can be found [here](#).

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