

YACHT QUICK REFERENCE GUIDE

Provides “Risk Type” coverage on yachts and associated equipment. The coverages under this program are incorporated into one form, including both physical and liability.

Territory

The coverage territory includes the Great Lakes and tributaries and other inland, non-tidal, fresh waters of the United States and Canada suitable to navigation by the insured yacht, excluding the Mississippi River below the Ohio River confluence and the St Lawrence River below Quebec City.

Coverages outside this region maybe secured, but must have underwriting approval in writing prior to the departure.

Eligibility

All applications are submitted unbound.

- Privately owned and registered in Michigan
- Pleasure use with occasional client entertainment
- 28 feet or greater
- Valued between \$35,000 and \$500,000
- Insured for at least 90% to 100% of its market value
- Not capable for speeds in excess of 50 mph
- Principal operator is 21 year or older with a good driving record
- Vessel is 10 years old or less
- Not cancelled or rejected by another carrier
- No at fault liability losses in the last 5 years
- No physical damage losses in the last 5 years

Boats that do not meet these guidelines may be considered but additional underwriting may be requested.

- Boats 10-15 years old and a survey less than 3 years old or owned by the applicant since new
- Boats +15 years old with a current survey
- Other hull material, but no cement
- Youthful operators less than 21 years old
- Liability or PD losses exceeding \$1000
- Titled to others, other than the individual but used only for personal pleasure
- Multiple owners not in the same household
- Fully restored wood classics, which require a current appraisal
- Water ski or performance boats
- Maximum speed above 50 mph

Not Eligible

- Yachts that are not seaworthy
- Hydroplanes
- Any race craft other than sailboats
- Yachts rented to others

- Homemade yachts, unless certified
- Yachts with Ferro-cement hulls

Physical Damage

- *Total Losses* of the yacht are paid at the *Agreed Value*
- *Partial Losses* are covered at *Replacement Cost*, up to the policy limit for the type of property involved, *except* for the following items that are at *Actual Cash Value*:
 - Always ACV- Sail, spinnakers, protective covers and enclosures consisting of fabric, plastics, canvas or similar material and bottom paint
 - ACV after 5 years- dinghies or tenders
 - ACV after 7 years- engines, transmissions, propellers, inboard/outboard drives and outboards
 - **Depreciation Buster Endorsement (YT-9)**
 - Eliminates the depreciation on repairs to engines, transmissions, propellers, outdrive units and outboard motors that are over 7 but less than 21 years old.
 - Single Engine \$35.00
 - Twin Engines \$50.00 (includes boats with 2 outboard motors of different sizes)
 - ACV after 10 years- Carpeting, upholstery and cushions

Built-In Property Limits

- Auxiliary Equipment- \$5000 Includes dock box and inside builds where laid up, life jackets, lines, power cords, etc. (Dinghies <12ft. , outboard motors <30hp, excluding PWC's and boatlifts)
 - Can be increased by \$1000 increments @ \$15 per \$1000
 - \$250.00 deductible for losses only involving Auxiliary Equipment
- Personal Property- \$2500 Includes fishing equipment, cell phones, cameras, clothing, etc.
 - Property of the owner or guest kept on board for pleasure or convenience for the yacht
 - Can be increased by \$ \$500 increments @ \$7.50 per \$500
 - \$250.00 deductible for losses only involving Personal Property
- Removable Equipment- \$5000 for parts of the yacht or auxiliary equipment removed from the vessel to your home during the lay-up period
 - This coverage is secondary to any primary coverage
- Emergency Assistance- \$2500 for emergency service to the yacht, engines, trailers and towing vehicle.
 - No deductible applies.
 - Can be increased to \$5000
- Emergency Travel- \$500 for travel home due to damage or breakdown, or unsafe weather for 48 hours.
 - No deductible applies.
- Accidental Death Indemnity Expense Coverage- \$5,000/\$10,000 for family members while occupying the vessel
- Salvage- 90% of value if a salvage claim is placed against the vessel which is saved from peril.

- This will only be paid in cases where there is a covered physical damage loss to the vessel.
- Replacement/ Newly Purchased Boat or Motor- Yacht's acquired during the policy period is covered for 15 days at the lesser, ACV or purchase price. We must be notified and additional premiums paid within 15 days of the purchase
- Trailers- \$1500
 - Losses involving only the trailer have a \$250 deductible

Built- In Liability and Medical Payment Coverage

- United States Longshore and Harbor Workers Compensation Act and Jones Act- \$100,000
- Pollution Liability- Liability Limits or \$800,000 where required, excluding fines and penalties
- Non-Owned Watercraft- Extends Liability, not Medical Payments to a non-owned watercraft other than Personal Watercraft, insured uses with permission for non-business.
 - It also includes up to \$100,000 of coverage for the vessel, subject to a \$1000 deductible
- Removal of Wreck- \$50,000 if the expense exceeds the coverage provided under Salvage Coverage
- Liability Limit- Must be selected \$100,000, \$300,000, \$500,000 or \$1,000,000 (1 M requires UW Approval)
- Medical Payment Coverage- \$5000 included
 - \$10,000 and \$25,000 available
- Uninsured Boaters Coverage- \$25,000 included
 - \$50,000, \$100,000, \$300,000 and \$500,000 are available

Charter/Business Use (Great Lakes)

Partial or Full Time charter fishing or cruising can be written, if the applicant meets our guidelines. No binding authority is provided for these risks. The additional documents include;

- Standard Boatowners Application
- Watercraft Supplemental Application
- Charter Boat Supplemental Application
- Copies of the licenses
- Copy of the latest State Inspection Certificate
- Dry-dock & Dockside worksheet
- Photos of both sides of the boat
- Copy of the most recent survey

Charter Boat Available Endorsements

- **Lake Charter Use Endorsement (YT-6)**
 - Personal Property- \$5000
- **Charter Legal Liability Endorsement (YT-7)**
 - Adds liability coverage for charter boats owners who book clients onto non-owned, licensed charter boats

Deductibles and Options

- Auxiliary Equipment and Personal Property- \$250
- Trailer- \$250
- Emergency Assistance- No Deductible
- Emergency Travel- No Deductible
- Losses involving only navigational electronics due to lightning or theft- \$500
- Physical Damage Options- ½%, 1%, 1.5%, 2%, 3%

Discounts- Limited to 50%

- 10% for each
 - Multiple policy with Fremont Insurance (one allowed)
 - Group Discount
 - USCG Aux., USPS member, AARP, Public Safety, Boat Club Member, MBIA members and employees, Military Service, Agents, Stockholders, US Coast Guard licensed captains, MEA, Great Lakes Boating Federation members, Michigan Steelheaders and Salmon Association, Michigan Charter Boat Association
- 7% for completing U.S. Coast Guard Auxiliary or US Power Squadron safety course in the last 10 years
- 6% for radar
- 5% for VHF Radio, Depth Sounder & GPS (or Loran) package
- 4% for ***built-in*** automatic engine fire extinguisher system
- 4% for both bow and stern thrusters
- 3% for bow thrusters
- 3% for Senior (age 50 and up) but not in addition to AARP's group discount of 10%
- 3% for diesel power
- Insurance Score
 - 650-699 3%
 - 700-749 10%
 - 750+ 15%

IRPM Credits

- Based on the Characteristics of the boats condition, type, speed and operators experience.
- Max. Debit 25% / Max. Credit 25%

Lay Up Period

- Standard lay-up period is December 1st to April 1st
- "Out of active Service"- pertains to boating activities and living quarters