



BRICKYARD COVE MARINA

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Insurance Requirement - Frequently Asked Questions

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In November 2006 Brickyard Cove Marina issued a new policy requiring proof of insurance for all boats in our Marina. We now require a minimum \$300,000 liability including salvage and clean up with Brickyard Cove Marina named as additional insured. Although we currently only require \$300,000 liability, we are beginning to recommend that our boaters consider having a minimum of \$500,000 liability based on current trends in the boating industry as insurance claims continue to increase. We have had several questions regarding this new policy. To help answer these questions, we have supplied this Frequently Asked Question response. If this does not answer a question you have please contact our office at 510-236-1933.

FAQ: Why does BYC now require proof of insurance for the boats?

Over the past several years frivolous lawsuits have sharply increased. In response, the Marinas in California have instituted a standard practice of requiring all boats to have boat insurance. This helps protect the boat owner as well as the Marinas against these expensive and unnecessary lawsuits.

FAQ: Why does BYC require \$300,000 minimum liability?

When requiring boat insurance in Marinas became a standard in the industry, insurance companies evaluated past and current claims and advised Marinas to require a minimum of \$300,000 liability to fully protect the boaters. Recently, the standard has been raised to \$500,000 minimum liability. At this time, BYC does not see a need to increase our required minimum liability; however, we are recommending that our boaters consider the benefits of increasing their minimum liability to \$500,000.

FAQ: My boat is worth a lot less than \$300,000. Why do I have to insure the boat for more than it is worth?

Insuring a boat is not only to cover the cost of repairs for your boat being damaged in an accident. It is also to protect you if your boat is in an accident with another boat. Just like with cars, if your boat causes damage to another boat, you are responsible for the repairs of the other boat. You may also be liable for medical expenses if someone on either your boat or the other boat is injured. If your boat were to cause damage to a boat worth more than your liability limit or the medical expenses exceeded your limit, you would be responsible for making up the difference in cost. When insurance became a requirement in the industry, past and current claims were evaluated and a \$300,000 liability limit was advised. Since that time, the advised limit has been raised to \$500,000. At this time Brickyard Cove Marina is only requiring the \$300,000 limit, but strongly recommends boaters to consider raising their limit to \$500,000 for the best protection.

FAQ: I thought I had \$300,000 minimum liability but I received notice that it is too low. Why?

Some insurance companies have split liabilities. They may have a \$300,000 limit with \$100,000 limit per individual. This means that if an accident were to cause damage to three individuals, each would get \$100,000 totaling \$300,000, but if the accident caused damage to only one individual that person would only get \$100,000. In affect, this causes the true limit of liability to be only \$100,000 which is not

sufficient to protect the boat owner. If this is the case on your insurance please ask your insurance provider for a \$300,000 “combined single limit” or “CSL”.

FAQ: Why does BYC require being listed as “additional insured” and what does this mean?

By listing Brickyard Cove Marina as additional insured, the Marina is protected from being liable in an action taken against you. For example, if someone has an injury on your boat while in the Marina, the injured party may try to also claim damages against the Marina, assuming they have much "deeper pockets" than you. By being named as additionally insured on your policy, your insurance would come into play before the Marina's. Again this has become a standard in the Marina industry and all Marinas in California are adopting this policy. By listing the Marina as additional insured, your insurance company is also obligated to forward notices of cancellation or any changes made to the policy. Listing a Marina as additional insured will NOT make you liable if a claim is made against the Marina independently of your boat.

FAQ: I have Brickyard Cove Marina listed as “additional interest” does this count?

No. Many insurance policies have various categories including “additional interest” “other interested party” “certificate holder” “co-insured,” etc. The only thing that qualifies as “additional insured” is the words “additional insured” or a clear statement provided by the insurance company such as the following: “The certificate holder listed on this policy is to be considered additional insured”. Note: there are 2 exceptions. If you have Progressive or Allstate, their “Interested Party” is covered as “additional insured”.

FAQ: My insurance company will not list a Marina as “additional insured.” Do I have to change companies?

Not necessarily. This policy is now a standard in the boating industry. If you are insured by a company that specializes in boat insurance you will have no problems. If you are using a company that specializes in auto or home insurance but also covers boats on the side, your insurance agent may have never heard of this requirement. If your agent tells you that they cannot list Brickyard Cove Marina as additional insured please call our office immediately. We will be happy to find a sample of another customer with the same company, if we have any, and forward it to your insurance agent so he/she can see what we are really looking for. You can also ask your insurance agent to contact us directly so we can explain what we need. Please note: due to privacy laws, we CANNOT contact your insurance agent. There are a few companies that have informed us that they will not list Marinas as additional insured. The Marina industry is currently working with these companies to prevent them from losing all of their boat policies, but to date, these policies are not sufficient to cover boats in our Marina. If we are unable to work with your company to get Brickyard Cove Marina listed as additional insured then, unfortunately, you will have to change companies.

FAQ: My boat is under 26’ feet and covered by my homeowners policy which has a “personal liability” or “umbrella” that is greater than \$300,000. Does this work?

Maybe. If your boat is under 26’ feet and you have a homeowner’s policy or umbrella policy with a liability of \$300,000 or more, this will satisfy our liability limit. The problem is that many homeowner’s policies and general umbrella policies will not list a Marina as additional insured. You will have to contact your insurance company to find out if they can list Brickyard Cove Marina as additional insured. If not, please contact us immediately so we can come up with a solution. One possibility is to have your homeowner’s policy cover the liability limit requirement and a second policy for the boat with a lower limit that covers the additional insured requirement.