

The Premier Report

A publication of Premier Marine Insurance Managers Group

Summer 2010

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Return of the Muskrat!

What our agents are saying about Premier Marine

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News Flashback

It's been five years since Lake Union muskrats created a flurry of confusion and a lot of uncertainty about marine insurance coverage. While there is still confusion about which companies cover what, one thing has remained the same and that is that Premier Marine covers damage from vermin, sealife, animals, etc. We thought it was fitting to share this article with you again – five years after the muskrat saga began. *Turn the page to enjoy.*



PREMIER MARINE

Insurance Managers Group

Wild Muskrats Attack and Sink Boat

And what you should know about your boat insurance

Article reprinted with permission from Northwest Yachting Magazine May 2005 issue Page 92.

Just after the Ides of March, a wild and marauding band of muskrats successfully attacked and sank a Bayliner 39 in Portage Bay. Cleverly disguised as musicians playing the monster rodent hit "Muskrat Love," they came aboard through the underwater exhaust ports and unable to find their way to the bar, chewed through the exhaust hose. All of this might be funny except that even with the very alert efforts of a dock attendant, the vessel sank at the dock. The only thing preventing a complete and total sinking was the fact that the Danforth anchor in the bow roller hooked the dock and held the vessel at a 45° angle until the Seattle Harbor Patrol could get pumps on board.

This is certainly not the first time this has happened around the Pacific Northwest. It has in fact been going on for years; it's just that the muskrats are more active some years than others. This year just happens to be one of those active years as this was at least the second boat sunk in the Lake Union, Portage Bay area this year.

What would you do next? Call your loyal and trustworthy insurance agent of course. Problem solved right? Unfortunately, as always, the devil wasn't just in the exhaust hose, it was in the details of the owner's insurance policy. As this owner unfortunately found out the period at the end of the sentence about vermin damage being excluded was in fact and unfortunately the end of the story. He was now totally liable for all costs and repairs. The next call, of course, went to his lawyers.

As it turns out, not all exclusionary policies are the same. Now we haven't contacted all the insurance companies in the world however we did manage to get our hands on a couple "Policy Agreements" and most are very clear. Below are some examples copied directly from policies:

1. EXCLUSIONS - We do not provide coverage under Part A: Property Damage Coverage against loss or resulting damage from:

- a. wear and tear, gradual deterioration, weathering, insects, mold, animals or marine life; however, coverage is provided for accidental damage resulting from zebra mussels, but only applies to engines, generators, and pumps that are attached to the insured vessel;
- b. marring, scratching or denting;
- c. osmosis or blistering;
- d. manufacturer's defects or defects in designs;
- e. the cost of replacing or repairing any item having a latent defect that causes damage to your insured property, however, resulting damage would be covered;
- f. corrosion, except electrolytic (stray current) corrosion.

2. EXCLUSIONS - The following apply in addition to the General Exclusion: We shall not pay for loss, damage or expense caused by or resulting from:

- 1) wear, tear, gradual deterioration, moths, vermin, or inherent vice;
- 2) mechanical or electrical breakdown, unless caused by lightning;
- 3) mysterious disappearance or unexplained loss of any kind.

3. GRADUAL OR SUDDEN LOSS - We do not provide coverage for the presence of wear and tear, marine life, gradual deterioration, electrolysis, lack of maintenance, fiberglass osmosis or blistering, however caused, or any loss caused by wear and tear, marine life, gradual deterioration, electrolysis, lack of maintenance, fiberglass osmosis, or blistering. It was this last one from Premier Marine we found the most interesting. The damage caused by marine life or vermin isn't covered however the consequential property damage resulting from fire, sinking etc etc is.



If you see a muskrat near your boat, you may need one of these - anti-rodent bars.

4. PROPERTY INSURANCE - Insured Perils You are insured against All Risks of accidental and direct physical tangible loss of or damage to the Insured Property from any external cause but subject to the conditions of the policy and excluding the following loss or damage caused by or resulting from: A) Wear and tear, gradual deterioration, faulty repair or faulty workmanship, marring, scratching, chipping, denting, corrosion, mold, rot, osmosis, blistering, delamination, electrolysis, galvanic action, or any inherent vice, insects, vermin or marine life; however we will cover consequential property damage resulting from any fire, sinking, submersion, demasting(sic), collision or stranding.

As we said, we certainly haven't called all the insurance companies in the world so we certainly don't claim to know it all, but if there's one lesson to be learned here it would be to read the entire policy before you sign up or have your lawyer read the agreement before you renew your policy. Most insurance companies won't send you a policy until you've signed up. You can however request a sample policy which you can look over before you sign up. Also, it doesn't do any good to have your lawyer mark up the policy with the changes you want; it's non-negotiable. If you don't like it, move on.

The next step would be that when you haulout, have the team at CSR (206-632-2001) install some of their new, totally custom anti-rodent bars. Some boats have flaps but as we've seen, those devious rodents have a serious set of claws that can easily lift the flaps out of the way. So if you haven't hauled out yet, at least check on the boat regularly over the course of the winter, thump on the exhaust pipes and then fire up those engines while watching to see if anything comes out.

Your Marine Insurance Experts...



Photo by Fried Elliott/ www.friedbits.com

*Dennis Burgess –
in the white hat,
Marine underwriter
& international sailor.*

Tel 800-589-4208

Fax 800-522-4461

dennis.burgess@premiermarine.com

Fast turnaround, no runaround

Premier Marine works with agents large and small, and with a simple one page application, you don't need to be a boating expert.

PREMIER MARINE INSURANCE – Application for Insurance
Ocean Marine Insurance

Quote Only
 Please Bind

Insured: _____ Phone (Wk): _____ (Hm): _____
City: _____ State: _____ Zip: _____

Address: _____ Occupation: _____ Employer: _____
Date of Birth: _____ No. of Years as Operator/Crew: _____ Insurance Effective Date: _____
No. of Years as owner of a boat: _____ No. of Years as Operator/Crew: _____ Policy #: _____ Exp Date: _____
Previous Insurer (This or prior boats): _____ Date of Marine Survey: _____
Size and Type of Previous Boats: _____
Member of Cruising Club: _____
Boating Education and Courses: _____
Boating Losses in last 3 years (claimed or not, date & description) _____ Year: _____

Coverages: Hull & Machinery Make: _____ Registration # _____ Model: _____ Length: _____
Serial # _____ Purchase Price: \$ _____ Replacement Cost New: \$ _____ Current Market Value: \$ _____
Date _____ Year: _____ Value: \$ _____
Purchased: _____ ID# _____ Year: _____ Value: \$ _____
Outboard or _____ ID# _____ Year: _____ Value: \$ _____
Aux. Motor: * _____ ID# _____ Year: _____ Value: \$ _____
Dinghy: * _____ ID# _____ Year: _____ Value: \$ _____ Premium \$ _____
Dinghy Motor: * _____ ID# _____ Year: _____ Value: \$ _____ Premium \$ _____

*Not covered unless Itemized
Additional Personal Effects/Fishing Equipment (Attach List) _____ Year: _____ Value: \$ _____ Premium \$ _____
Trailer: _____ ID#: _____ Year: _____ Value: \$ _____ Premium \$ _____

Optional Coverages: _____
Loss Payable Name: _____
Address: _____
City State Zip: _____
Liability (\$300,000): Included
Liability (\$500,000) \$ _____
Liability (\$1 million) \$ _____
Policy Fee \$ 55
Total Premium \$ _____

Hull Deductible: _____

List all Operators of the Vessel:
(Name, date of birth, years experience, % use, drivers license #)
1 _____
2 _____

List all auto moving traffic violations and at fault accidents per operator:
(In the past 3 years, date of accident, date of conviction, description of incident, license revoked?)

Where is Boat Moored? _____ Where Laid up? _____ Ashore Afloat
Is Boat Transported Over Land? Yes No How far? _____ How often? _____
Type of Vessel: Sailboat Trawler Cruiser High Performance Houseboat Runabout Other _____
Does Yacht have: Sleeping Quarters Galley Head Radar Compass Depth Finder SS Radio Propane Live Aboard? Yes No
 Lorain GPS Head Autopilot Vapor Detection System Built in CO₂ or Halon System Fire Extinguishers# _____
Is Yacht of Fiberglass Construction? Yes No, Specify: _____ Fuel Type: Gas Diesel Max Speed: _____
Of Engines: _____ Manufacturer: _____ Inboard Outboard I/O Jet Total HP: _____ Any Chartered Use? Yes No
Navigation Limits Requested: _____ Insurance ever Refused or Cancelled? No Yes, Reason: _____

Please Read Before Signing Application:
This application will be incorporated in its entirety into any relevant policy of insurance where Insurers have relied upon the information contained herein. Any misrepresentations or concealment in this application for insurance, will render insurance coverage null and void from inception. Please therefore check to make sure that all questions have been fully answered and that all facts material to your insurance have been disclosed, if necessary by a supplement to the application. A consumer report containing personal, credit, factual or investigative information about the applicant may be sought in connection with this application for insurance or any renewal, extension or variation thereof. Signing this form does not bind the Applicant to purchase the insurance or the insurer to accept the risk, but it is agreed that this form shall be the basis of the contract should a policy be issued.

Signature of Applicant: _____ Signature of Agent: _____ Date _____
Return Fax: _____ Return E-mail: _____
Agent's Firm: _____

NOTE: INSURANCE IS NOT IN EFFECT UNTIL PREMIER HAS ISSUED A BINDER NUMBER
Binders expire 15 days from the effective date, unless payment is received by Premier Marine within the binder period.
800 FIFTH AVENUE, SUITE 4100, SEATTLE, WASHINGTON 98104
TOLL FREE LINE: 1-800-589-4208 FAX: 1-800-522-4461

For appointment info.

Contact Field Rep. Holly Whitmarsh

Tel 206-919-5991

holly.whitmarsh@premiermarine.com

Claims to Fame

A great policy is of no value without a great claims department. Premier Marine has an in house claims department and utilizes expert local independent adjusters and marine surveyors.

"Settlements are our business and fairness to our customers is paramount, that's why we have extensive authority from Lloyd's Underwriters to settle our clients claims in a prompt and fair manner."

Danielle Tchir, National Claims Manager - Premier Marine Insurance

As seen in Insurance West May 2009

Happy Customers

"The insurance claim process was PAINLESS! One phone call, late on a Friday afternoon, to Premier Marine Insurance and the claim was set in motion. I was connected with a marine surveyor, and in no time the boat was inspected, the repair was arranged and my claim was paid."

Mr. Nick Brower, OLYMPIA, WA

It was a sinking feeling (pun intended), to say the least, when the harbormaster at my marina called to say that my forty foot Tollycraft had taken on water. Racing there to find out why I ended up with 700 gallons of water in my engine room was only part of the concern. The other was if my insurance company would cover this. After a lengthy inspection, we found out the cause was the water heater had corroded through and the bilge pump siphoned water back into the boat. I called my Premier agent and was told not to worry, it was covered: a great relief to say the least. The most shocking part was finding out that with most marine policies, a claim like mine could have been declined because the damage was caused by "wear and tear", an item that is excluded in every marine policy you read. But, unique to Premier Marine is their coverage for consequential property damage. This meant that all the damage caused by the water heater was covered. What a relief that was! Repairs were made, and I was back on the water in time for my boating club's summer rendezvous. Thanks Premier, for standing behind your policies!

Mr. Bob Erwin, ANACORTES, WA

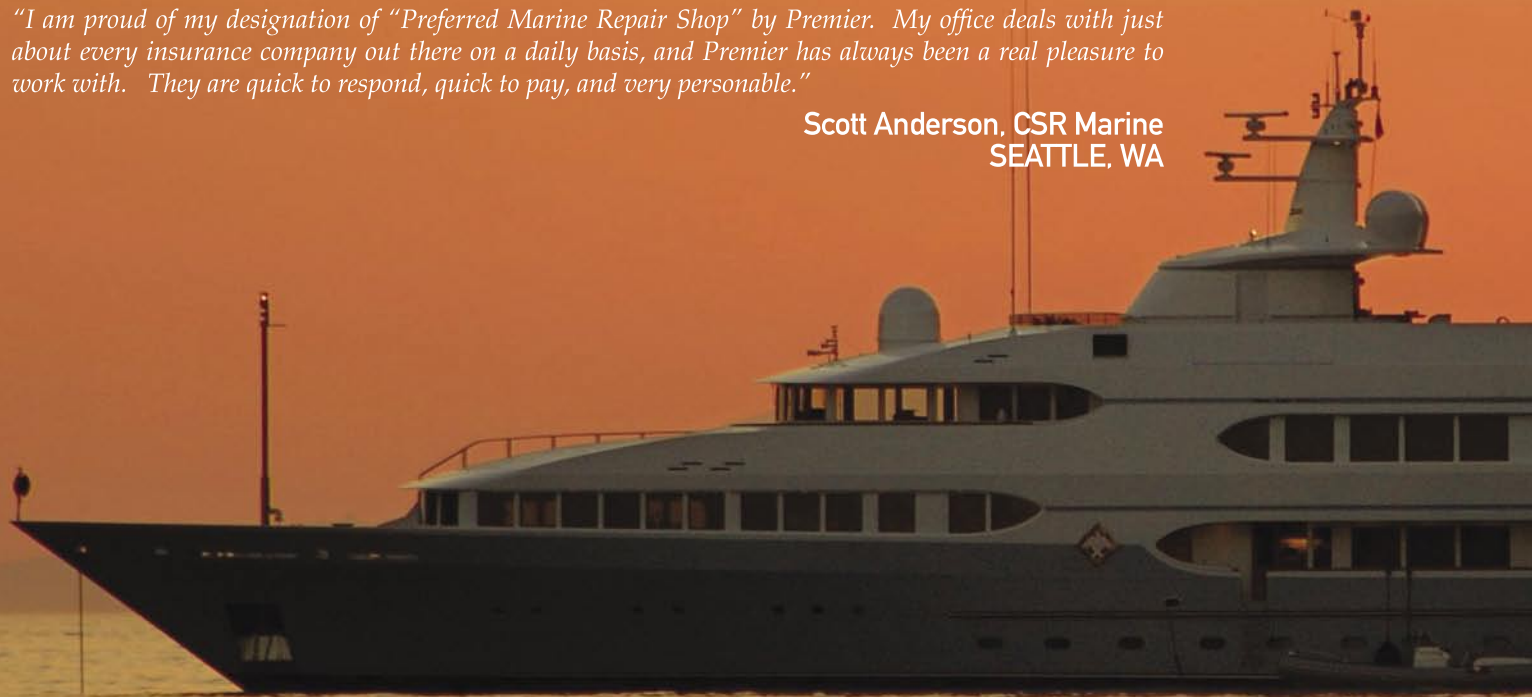
"I am proud of my designation of "Preferred Marine Repair Shop" by Premier. My office deals with just about every insurance company out there on a daily basis, and Premier has always been a real pleasure to work with. They are quick to respond, quick to pay, and very personable."

**Scott Anderson, CSR Marine
SEATTLE, WA**

Get to know our Platinum Yacht Program

The Premier Marine Platinum Yacht program is exclusive for vessels valued at \$400,000 and higher. Our superior wording offers unique coverage that includes Inflation Protection. Which means, in the event of a total loss, Premier Marine will pay up to 115% of the original value of the vessel for vessels three years or newer, should the cost to replace the vessel exceed the insured amount. Aside from offering high liability limits and separate limits for salvage, remov-

al of wreck and fuel spill liability, the Platinum policy also includes emergency vacation expense, which would cover the cost of emergency lodging, and alternate travel arrangements if the vessel is damaged during vacation. Yachts covered by the Platinum program enjoy year round cruising from Southeast Alaska down the coast of California to the Mexican border and vessels may be skipper chartered out to a third party up to 10 times a year.



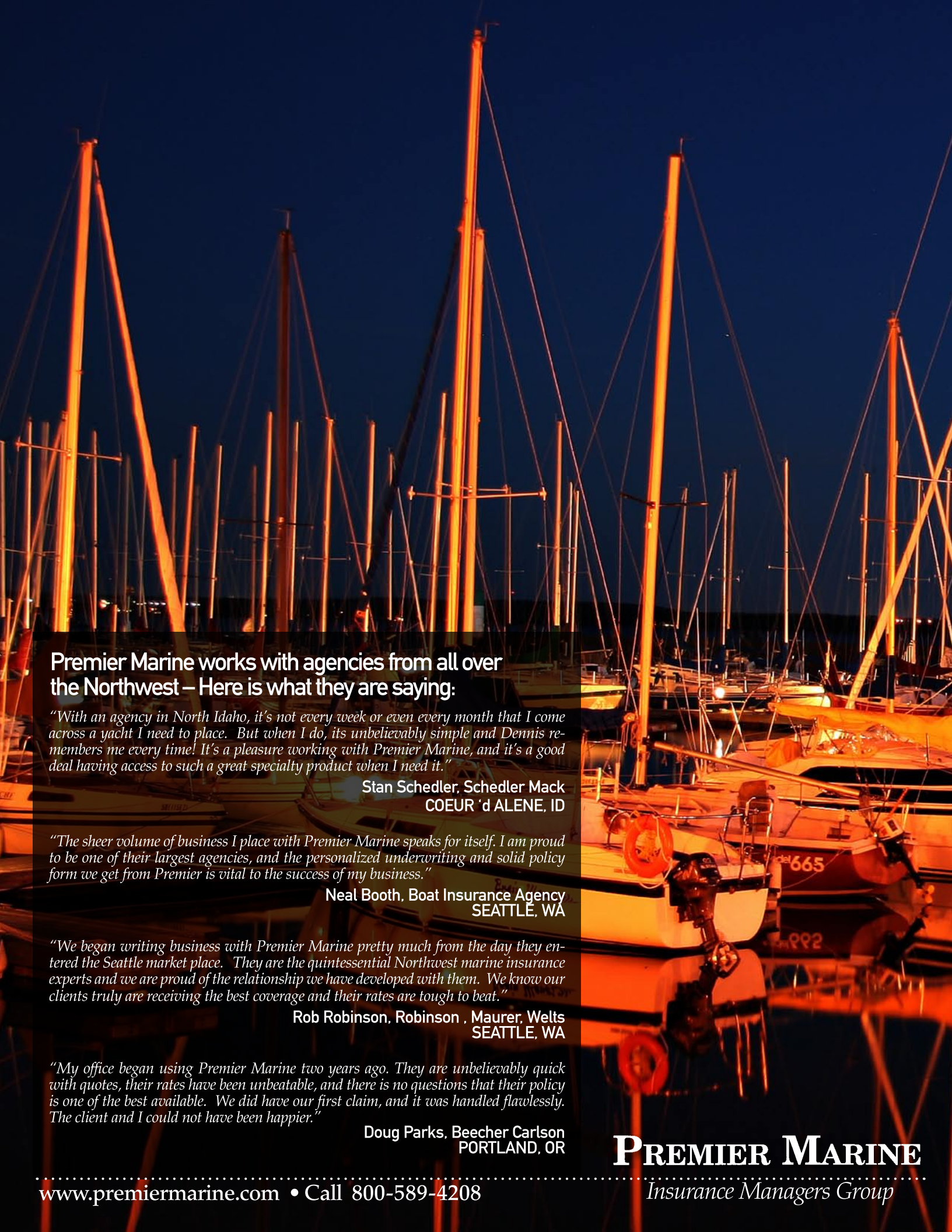


Premier offers great service

“Premier and its independent agents boast of the great service Premier offers. We were told that after 41 boats burned up in the Gig Harbor Marina last fall, the Premier Claims Staff was on the docks handing out checks for the lost boats within 48 hours of the fire. Now that’s your insurance working for you.”

As seen in Northwest Yachting Magazine January 2007 Issue





Premier Marine works with agencies from all over the Northwest – Here is what they are saying:

"With an agency in North Idaho, it's not every week or even every month that I come across a yacht I need to place. But when I do, it's unbelievably simple and Dennis remembers me every time! It's a pleasure working with Premier Marine, and it's a good deal having access to such a great specialty product when I need it."

**Stan Schedler, Schedler Mack
COEUR 'd ALENE, ID**

"The sheer volume of business I place with Premier Marine speaks for itself. I am proud to be one of their largest agencies, and the personalized underwriting and solid policy form we get from Premier is vital to the success of my business."

**Neal Booth, Boat Insurance Agency
SEATTLE, WA**

"We began writing business with Premier Marine pretty much from the day they entered the Seattle market place. They are the quintessential Northwest marine insurance experts and we are proud of the relationship we have developed with them. We know our clients truly are receiving the best coverage and their rates are tough to beat."

**Rob Robinson, Robinson, Maurer, Welts
SEATTLE, WA**

"My office began using Premier Marine two years ago. They are unbelievably quick with quotes, their rates have been unbeatable, and there is no questions that their policy is one of the best available. We did have our first claim, and it was handled flawlessly. The client and I could not have been happier."

**Doug Parks, Beecher Carlson
PORTLAND, OR**

PREMIER MARINE

Insurance Managers Group

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