

Marina Management – Protecting Yourself after a Catastrophe

After Hurricane Sandy, Maritime Program Group (MPG) fielded many calls from producers and insureds looking for guidance on how to proceed with the clean-up of their marine facilities. With many facilities having boats scattered throughout their properties, it's understandable that the insured's are eager to begin the process of cleaning up, but it's critical to do so in a way that doesn't have our insureds assume the liability for a customer's boat. MPG would like to share with you the process that we recommend, as the logistics of this effort can be quite confusing;

1. First, the marine facility should notify the boat owners whose boats have been damaged to notify their insurance carriers and have them contact the facility to make arrangements ASAP.
2. The facility should wait until they hear back from the boat owner's insurance company who will give them permission to move the boat, either before or after they have the chance to inspect. This may not always be practical and we understand that a facility may need to move some boats to make the environment safe for access to the facility. Unauthorized movement of vessels should be kept to only those that MUST be moved if permission has not yet been granted by the vessel owner or their carrier.
3. The facility may need to negotiate with the insurance company a fair and reasonable rate for storage and transport charges if they want you to transport the vessel. They may tell the facility NOT to move the boat and they'll contract with a third party to come in and haul all of their boats off site.
4. IF an insurance carrier hires an outside contractor to move the boats off the insured's property, please be sure to require the contractor to name our insured as additional insured on their policies for the work they're performing in the insured's yard.

Please note if the facility begins moving boats without permission from the boat owners or their insurance company, they may be assuming liability for doing so. Further, the expense for the insured to move the vessels is not one that is recoverable under their insurance policies, so they're best served to await permission from the boat owner or their insurance company if they want this to be a billable expense.

I trust you will find this information helpful in giving guidance to our mutual insureds, but please do not hesitate to call Christopher Pesce, MPG's Marine Claims Management Unit, or one of MPG's underwriters should you have any questions.