

There's much more to marine insurance than meets the eye

Simon Dixon writes thinking about insurance may not be your thing, but never make the mistake of leaving it until it becomes 'a thing

A 5-minute read that could save you a lifetime of insurance headaches. It's said that in love, what you don't know can't hurt you. But it's completely the reverse when it comes to matters of insurance.

We regularly speak to world-savvy and sophisticated entrepreneurs from all walks of life, and they often express surprise and astonishment when we explain exactly what is involved when insuring that luxurious new superyacht.

No pun intended, but there's a lot to take on board. You probably haven't thought of it, but we have.

Of course, you want to make sure your yacht has truly comprehensive cover from top-notch insurers and at the right price. That's vital. But it's just the beginning.

That gleaming yacht we see on the surface hides a mountain of insurance liabilities. And just as a mountain needs special skill and expertise to scale successfully, those insurance liabilities need special skills and expertise to manage.

One way or another, owning a yacht involves just about every kind of insurance for which there is a policy, and you or someone you employ, needs to be aware of every one of them to be fully covered. There's Contents Cover of course, and there's also the expensive toys; perhaps a helicopter or a submersible. They need comprehensive insurance for a wide range of risks too.

Next there's cover for the ever-burgeoning list of environmental regulations and responsibilities - and what about pollution? There's lots of lovely clauses to ponder on this issue alone.

Then there are those things you hope never happen but sometimes do. It's called the unexpected.

Never overlook the plain unlucky stuff as you sail around the world, war risk, acts of piracy and terrorism at sea, third party liability issues such as when a security guard's weapon discharges on board and injures someone, or worse. Or just mundane stuff such as an unexpected but heavy bump with another vessel while berthing.

There is of course the weather, tempestuous and unpredictable, bringing with it storm damage, unscheduled calls in foreign ports, and crew sickness.

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Which then leads us to mandatory medical insurance implications. Taking care of your crew doesn't have to cost an arm and a leg, but do it right and it may stop them jumping ship.

There are plenty of booby traps too: perhaps a guest loses a valuable necklace on board; you assume it's covered by the policy, but is it? A visitor slips and injures themselves while on a wet deck; what does your policy offer in terms of third party liability? Or, you decide to charter the yacht to some good friends for a honeymoon. After all, you're fully covered - but are you?

Chartering the vessel as an ongoing commercial enterprise or making it a company asset ushers in a fresh quiver of issues and careful insurance considerations must be made, including the fiduciary duty of all directors. You have a duty in law to protect the company's principal asset, even if the closest you get to water is wearing a Rolex Submariner.

Keeping your insurance strategy ship shape

Large companies often employ a full-time risk manager to worry about these myriad issues and their complexities. But for those who don't want to go down that route, Moore Stephens offers a complete and authoritative assessment from Accidents to Zone Ratings of your insurance needs, incorporating all risks and liabilities based on decades of thinking and learning about these things day in and day out.

It's what you know and who you know

Moore Stephens ensures you have a complete policy document (it's pernicky, fastidious, detailed; perhaps not the sort of thing you'd choose for bedtime reading - but someone in your organisation needs to). And once we have agreement on all the liabilities and insurable risks, we seek out the best deals for you through our third-party insurers.

One of the key reasons why Moore Stephens can be invaluable to you in this regard is because we know who to approach and why.

Take Hurricane Irma for example. When that massive hurricane hit Cape Verde in August 2017 it resulted in claims exceeding \$5 billion. Prior to this, premium rates had remained more or less the same for some years. In fact, some rates were actually reducing, but as a direct result of that hurricane, some traditional markets have posted 30% to 40% rate rises in one year as they struggle to replenish reserves.

This has given rise to new markets keen to break into the Maritime sector. These new markets don't carry the legacy weight of those losses to such a great extent. Using our knowledge and contacts, we can seek out these markets to negotiate keener rates.

In the end, the service we offer boils down to the same sentiment expressed by those with the most basic of all insurance policies - it's a nice feeling to know you're insured. And it's even nicer to know you are properly and professionally covered by what we believe to be the best service in the business.

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Talk to [Moore Stephens](#) today. ■

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