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Buying Yacht Insurance

Buying insurance for your Yacht / Boat?

You may well have been presented with a number of different policy wordings from a variety of companies, the aim of this guide is to help you decide what sort of policy you require.

Both the cover provided by the different insurance companies and the service they offer, can vary greatly. Please bear in mind that a cheaper policy may end up costing you a lot more money in the long run, should you have to make a claim.

Everyone's needs are different, and only you can decide if wider cover is important to you. It is essential though, to understand what is being offered to you, before being able to make an informed decision and signing up.

Important points to remember to check before you buy insurance for your Yacht / Boat.

Third Party Liability

You should not consider going afloat without liability insurance, which will cover you if you cause damage to another boat or cause injury. The industry standard provides a limit of £2,000,000 and should be sufficient in the UK.

Comprehensive Cover

Will provide cover for your boat against accidental damage, theft, fire and vandalism.

Laid up Period

Do your insurers restrict cover by insisting that your boat is laid up ashore between certain dates.

Racing Risks

Some policies will provide cover for racing under sail as standard, but some insurers may charge an additional premium. If you start a race without paying the additional premium, your insurance company would be entitled to reject a claim. If your activities include Club racing, Off

Shore racing, contact your agent/broker to ensure you are covered. Also enquire about the increased excesses which can be as much as 1/3 of the total claim before any other deductions for wear and tear/ age of equipment lost or damaged.

New-For-Old Cover

This will replace damaged items with new, but there may well be an age limit on your equipment. For instance if you were to break a ten year old mast, some companies would replace this with a new mast of equivalent specification, others would only pay out what they considered to be the mast's value at the time of loss, leaving you to fund the difference.

Damage to underwater machinery

Will provide cover for propeller and engine damage if you were to run aground or hit a submerged object. Not all policies provide this cover as standard, and many have limits as low as £1,500 per claim, it is always best to ask what the limit is before buying your policy.

Policy Excess

The amount you will be required to pay of any claim made. This is usually negotiable.

Below is a list of some other important questions you should think about when buying insurance for your boat.

Do I need third party cover & why?

£2,000,000 Third Party Liability is usually compulsory in the UK and you should not consider going afloat without this cover as a minimum. A policy providing third party liability should cover you if you were to cause damage to property or injury to another person, with your Yacht / Boat.

Third party risks whilst in transit are excluded as this is normally covered by the towing vehicles motor insurance policy.

Mooring & Storage Locations of your Yacht / Boat?

It is extremely important that you check this very carefully, as all insurance companies put warranties on their policies regarding mooring and storage locations including marinas and some swinging moorings have seasonal restrictions on certain locations in the UK. So ask do not assume you are covered.

Do I need any Qualifications or a Licence to use my Yacht / Boat ?

No you do not but this may change in the future. If you are new to boats most insurance companies require a minimum of 12 months experience or a RYA qualification, This can be obtained from a good sea school. Alternatively the insurance company may require that someone with experience is on the boat with you until you have gained enough experience using your Yacht / Boat.

For more information about RYA courses visit the links page at www.insure-a-boat.co.uk and link to the RYA.

Do I need to use a specialist marine insurance company?

Yes - Many High Street Insurance Brokers will be able to arrange your Yacht / Boat insurance, but they may not have the necessary expertise to advise you correctly.

Am I covered to use my boat for 12 months of the year?

Some insurers will stipulate that your Yacht / Boat is laid-up ashore for certain times of the year. Check your policy carefully and find out what cover would be in place. If you are unable to lift the boat from the water, due to bad weather, tides, or busy boat-yards or if you wanted to launch the boat prior to the end of the laid up period.

How can I be sure the insurance company I choose is good?

Your policy is only as good as the service you receive if you have to submit a claim. Why not ask other boat owners for their comments regarding which insurers provide good (or bad) service to their clients? Also a small number of marine insurance companies are based overseas and it would be wise to establish that the insurers are based in the UK where you will have access to UK Law and compensation should a serious problem occur with your policy. As well as the protection of the FSA (Financial Services Authority).

Does it matter who is in charge or driving my boat?

The majority of Yacht / Boat insurance policies will allow anyone to sail your boat with your permission however it would be prudent to check this first. If you receive money in return, i.e. the boat is being chartered or hired; this may invalidate your policy.

Is my boat and all it's equipment covered on a standard policy whilst it is not being used?

Comprehensive policies should cover your boat against accidental damage, theft, fire and vandalism, whether in use or not; however there may be restrictions on your policy. For instance, there may be restrictions on where your boat should be moored, and when it should be taken ashore. These details should be listed on your policy schedule or policy documents.

Transit cover will be provided for smaller Yachts / Boats towed behind your car, however there will be restrictions on larger boats (typically those longer than 9m) and those boats being transported by professional hauliers. Third party liability whilst in transit will be excluded, as this will be covered by the vehicle's insurance.

Is my Boat and its equipment covered on a standard policy?

Some insurers will exclude damage to underwater machinery if you were to run aground or strike a submerged object. Other items, such as your outboard, trailer and other personal effects or navigational equipment should be listed separately on the policy and all serial numbers advised to your insurers. So ask do not assume you are covered.

Will I need to obtain a survey for my boat?

Some insurance companies will require a survey for any boat aged 20 years old or more, and then again, every five years or so. Some Yachts / Boats may require a survey if they have sustained serious damage.

What about using my boat in foreign waters?

This will vary, depending on the policy you have chosen and the cruising range will be shown on your policy. You should check carefully that the cruising range is adequate for you, as you will not be covered if a claim were to occur outside the territorial limits specified.

What should I do if I need to make a claim?

You should always submit your claim as soon as possible after an accident. After all, the faster you make the claim, the faster you can get back on the water.

Any incidents of theft or criminal damage should be reported to the police - remember that you'll need the Crime Reference Number for the claim form.

You will be required to provide at least one estimate for the repairs or a written quote for the replacement items if a repair is not possible. Your Insurer may ask to inspect any equipment damaged, before authorising its replacement or send a Loss Adjuster or Surveyor to assess the damage.

How quickly should I expect to have my claim settled?

This will depend on which insurance company you use and their speed of response. It can also depend how quickly your repairer can provide a quotation and then carry out the necessary repairs. It is our intention to respond to you within two working days, advising you on how to proceed, so you'll know exactly where you stand, and how soon you can expect to be back on the water.

What is Marine legal protection?

Visit our Marine Legal Expenses page at

www.insure-a-boat.co.uk for full details of this cover. Comprehensive Yacht / Boat Insurance policies provided by Insure-A-Boat included the following:

£2,000,000 / £3,000,000 Third party liability for anyone using your boat with your permission.

Your Yacht / Boat (plus your outboard, trailer and other personal effects if specified on the policy) will be covered for accidental damage, theft, fire and vandalism.

Damage to your Yacht / Boat whilst in transit, but excluding third party liability in transit, as this should be covered by your vehicle's policy.

Damage to underwater machinery. (Subject to policy Limits depending on the individual insurance company).

New for Old Cover on some policies is available (Depending on the individual Insurance Companies).

No excess payable on third party claims.

European extension available on most policies subject to agreement by the Insurance Company concerned.

Personal Accident cover available on some policies.

Racing Risks extension available on most yacht policies .

12 months cover whilst afloat or laid-up ashore.

Cover of sails and covers damaged by Vermin (Certain Policies Only)

Legal Protection cover available as a separate policy.

Contact us

If you have any questions regarding Yacht / Boat Insurance, we would be pleased to assist.

We can be contacted at:
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or by telephone on
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Visit www.jameslindsay.co.uk and complete an online form for a quotation.