



## **There Is More at Risk on the Water than a Total Loss**

By *Ed Gumbrecht, Chief Operating Officer, Gowrie Group*

Perhaps you have heard some of the strange and extreme stories of boaters who sustain damage to their vessels on the water. Last season, a couple day-sailing encountered a forty ton whale which crash landed on (and totaled) their boat. In the Bahamas, some US college students on spring break helped rescue a grounded 50 foot yacht, and then claimed “salvage” rights to the vessel when the captain took his crew ashore by life raft. Yet while most boaters’ sense of boating risk involves physical damage from causes ranging from collisions to lightning strikes, the big dollar claim settlements are often not about the value of the hull or damage to property. **The greatest financial exposure that boaters face on the water is liability claims arising from bodily injuries to others.**

Last year the US Coast Guard responded to 736 boating fatalities and 3,358 injuries on the water\*. In the Northeast, the fatality rate exceeded 7.5 deaths per 100,000 registered vessels. While the hull damage in those accidents totaled \$36 million, the unpublished value of the medical expenses and the law suits arising from these accidents will dwarf the property payout. Rising health care and litigation costs, and the protracted nature of valuing personal injuries and establishing liability will only amplify the ultimate settlement costs. In a single accident on the Connecticut River last year three fatalities and the permanent impairment of a young man will set a new bar for the monetary and emotional damages sustained in a recreational boating accident. And while the Coast Guard reports operator inattention, inexperience, excessive speed, improper lookout and alcohol as the top five contributing factors in accidents, it is often not the owner of the boat who is operating the vessel at the time of an accident. **It is the boat owner however, whose assets are exposed when a boating accident leads to severe bodily injury.**

The implications for smart boaters are two-fold.

1. First, through attention to safety, severe injuries can be avoided altogether. Only 14% percent of deaths occurred on boats where the operator had received safety instruction. Conversely, 84% percent of drowning victims were reported not to be wearing a life jacket. Clearly, proactive attention to safety prevents severe injury on the water.
2. Secondly, and less obviously, wise boaters attend to protection of their personal financial assets through appropriate liability and umbrella insurance. Many boaters are unaware that the liability insurance on home, auto, and umbrella policies often does not extend to include boating activities. A simple call to a marine insurance specialist can ensure the right coverage is in place. Without liability protection which specifically addresses boating activities, all the personal and financial assets of a boat owner are at risk.

The 2011 boating season is here. Please make both safety and protection part of your plan for an enjoyable and responsible experience this year.

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\*All data from: “2009 Recreational Boating Statistics,” July 2010, United States Coast Guard.