



Marina and Vessel Insurance

What every vessel owner and moorage provider should know



Q: How are vessel owners and moorage providers affected by changes in the new 2014 law from HB 2457?

A: Here is a brief summary of new legal requirements:

- Vessel owners who permanently moor at private or public moorage facilities must secure and maintain minimum marine insurance coverage for their vessels.
- Moorage providers must:
 - Secure and maintain marine insurance coverage for their facility.
 - Obtain certain information from all vessels entering into long-term moorage and to retain that information for two years.
 - Ensure that vessel owners who enter into and renew long-term moorage agreements provide proof of minimum insurance coverage for the vessel (for moorage agreements entered into after June 12, 2014). Moorage providers *are not required* to certify that vessel owner coverage meets the minimum requirements.
 - Provide information about moored vessels upon request of the Departments of Licensing (DOL), Revenue (DOR), or Natural Resources (DNR). These agencies must coordinate requests so that a moorage provider does not receive more than two requests a year.
 - Permit a requesting state agency to physically inspect the docks and provide records for those vessels that are not listed or registered; OR
 - Provide enough information to compare against DOL's records and provide further information for a specific vessel that the requesting state agency determines as not registered.

Q: What are the minimum insurance coverage requirements for a moorage facility? For a vessel owner?

A: Moorage facilities and owners of vessels permanently moored at a moorage facility must secure at least \$300,000 in marine insurance coverage encompassing general, legal, and pollution liability protection. Facilities and vessel owners may obtain multiple insurance policies to ensure they have the minimum coverage.

Q: Are there consequences for a vessel owner not maintaining the minimum insurance coverage?

A: If a vessel owner fails to maintain insurance coverage, they will incur liability for the moored vessel if it becomes derelict or abandoned. In addition, the moorage facility may cancel their moorage agreement.

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CONTACTS:

Kyle Murphy | Assistant Division Manager | 360-902-1081 | kyle.murphy@dnr.wa.gov
Washington State Department of Natural Resources
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Q: Are there consequences for a moorage facility not maintaining the minimum insurance coverage or ensuring vessels have proof of insurance?

A: If a **private moorage facility** fails to maintain insurance coverage, or allows a vessel to moor at its facility without demonstrating proof of minimum insurance coverage, the facility may incur potential secondary liability for a moored vessel that becomes derelict or abandoned.

A **public moorage facility** that allows a vessel to moor at its facility without demonstrating proof of minimum insurance coverage would not be eligible for financial reimbursement of vessel removal / disposal costs from the Derelict Vessel Removal Account (administered by DNR) if the vessel becomes derelict or abandoned.

Q: Can private moorage facilities get public assistance with removing derelict and abandoned vessels?

A: Private moorage facilities may contract with local governments for the removal of derelict and abandoned vessels from their premises. The law was changed to also allow DNR to contract with private moorage facilities. Neither local governments nor DNR are required to enter into these contracts.

Q: Do moorage providers have to collect the newly-mandated fees from commercial vessels mooring at their facilities?

A: No, based on stakeholder feedback during legislative deliberations, the final law established a \$1/foot fee on commercial vessels required to pay property taxes to Washington State Department of Revenue. This new fee will be collected directly by DOR at the time of the scheduled annual tax payment.

DNR: Steward of state-owned aquatic lands

The 2.6 million acres of state-owned aquatic lands (mostly submerged) are a public trust, managed and protected by DNR for the people of Washington. DNR manages these lands to protect fish and wildlife habitat and to facilitate commerce, navigation, and public access. Revenue is generated from the sale of renewable resources, such as wild geoduck, as well as from leasing submerged lands for mooring buoys, marinas, docks, and other uses. This revenue is used to manage and protect the health and productivity of these aquatic lands and resources and to fund local projects that restore aquatic ecosystems and create public access to the waters of the state.

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