

## Pacific Cup 2009 Oct 10 Prep Seminar Race Insurance

### **CONFUSED?**

Confused about race insurance? No wonder! Carriers don't make it easy. There are three things to know about insurance carriers:

1) Carriers like long term clients:

If a carrier is going to consider offering offshore race coverage they will require that you have an annual policy in place several years **prior** to the race; have an acceptable loss history; and that you will keep the annual policy **after** the race. Carriers are concerned that someone may purchase insurance just for the event then cancel the coverage once the event is over. The key words here are **LONG TERM**.

2) Carriers have a low tolerance for high risk:

Since offshore racing is considered a higher risk than racing in the Bay carriers are careful who they will cover and at what premium. If you are a long term client of a carrier with good loss experience they may consider you a very good risk and provide coverage.

3) Carriers can change their minds:

Underwriting guidelines change ALL the time and at the drop of a hat. ALWAYS check back with a carrier who may have declined you coverage before as they may reconsider this time!

### **Short-Handed Racing**

At this time I am not aware of a standard carrier that covers short-handed offshore racing. You will need to find an insurance broker who has a significant book of business with a specialty carrier such as Lloyds in order to get coverage. This type of insurance can cost a pretty penny!

### **Cost**

Speaking of cost - sometimes you get what you pay for. A policy may be cost effective up front, but may not take you where you want to go in the long run. So, be sure and ask the tough questions of your broker and let them know your future plans. Then start comparing policies and costs. Only you know the type of coverage you need; the price you are willing to pay; and the deductible. Just remember - what seems like a "deal" up front may wind up not being so great in the long run. There are plenty of good policies

that will cover you in the Bay, but may not once you get offshore and for other navigation limits. Low deductibles may seem enticing, but you might wind up paying more up front for coverage you'll never use.

### ***Fast And Safe***

The Pacific Cup has slowly gained a reputation for being a safe race due to our excellent loss experience. Our prep and safety at sea seminars coupled with inspection and safety equipment requirements are all taken into consideration by underwriters. Because of this we're finding more carriers willing to consider race coverage for their clients. Some race friendly carriers are Travelers, Zurich (who is getting out of the business), Chubb, and ACE. Last race One Beacon and Commonwealth provided a race endorsement for their existing clients as well. So look for an insurance broker who has a significant book of business with any of these carriers and you should be in luck! It also helps if you have all of your insurance (home, auto, umbrella, etc) with the same carrier.

### ***Shop Around***

When shopping for a policy, look for an insurance broker who is knowledgeable in offshore racing and has access to a carrier that at least says "maybe" or "it depends" up front instead of "no way" to adding a race endorsement. Unfortunately, NO ONE will promise race coverage UNTIL you have established yourself with that carrier. And then it is at the discretion of the underwriter who they will cover and who they won't!

If you want race insurance, and you didn't start 2 years ago, contact your current broker/carrier first to see what they are willing to do for you. If they offer a race endorsement, then RUN and get it! The cost for this endorsement can be very reasonable and usually covers the hull and liability. In very few cases rigging may be covered, but never rudders or spinnakers. Deductibles may be increased so be sure you understand what you are getting!

### **If you didn't start several years ago and your current agent can't help you then read on:**

Vantage/Old United Casualty has once again agreed to provide insurance for the Pacific Cup **crewed** boats. They are offering a race endorsement as long as you have an annual policy in place and are within their underwriting criteria and guidelines. The Pacific Cup endorsement offers hull and liability coverage to and from Hawaii, and also includes coverage for a short stay in Hawaii prior to sailing back. Separate coverage is needed if you are shipping your boat back.

For more information and to complete an application for a quote, follow the links from the Pacific Cup website (or in this handout). Be sure and mark

the Pacific Cup Endorsement box on the application so the underwriter knows it is for Pacific Cup coverage.

You can purchase your annual policy when your current boat policy expires then add your race endorsement next spring once your boat passes the Pacific Cup inspections. The underwriter will want a signed completed inspection form in order to offer the race endorsement. This way you don't have to pay for race coverage until you need it.

Submission requirements and any additional paperwork required are outlined in the FAQ portion in the handouts.

## Pacific Cup Yacht Race Insurance

Confused about insurance? Read all about finding yacht insurance on the Pacific Cup website [www.pacificcup.org](http://www.pacificcup.org). If you still can't find coverage then read on...

Vantage/Old United Casualty Company and NorthStar Risk Management have joined together to offer Pacific Cup Race Insurance.

### View the policy description:

[www.oldunited.com/productsMillennium.aspx](http://www.oldunited.com/productsMillennium.aspx)

Go to the bottom of the page and click on the Quote Form link; and then scroll down to "Optional Coverages", where you will see "[ ] Pacific Cup Race Endorsement". Be sure and check this box!

### Get a quote:

[www.oldunited.com/productsMillQuote.aspx](http://www.oldunited.com/productsMillQuote.aspx)

Scroll down to "Optional Coverages", where you will see "[ ] Pacific Cup Race Endorsement". Be sure and check this box!

For more information please contact:

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## **PACIFIC CUP YACHT RACE INSURANCE FAQs**

### **What are the navigable waters for the Old United annual policy?**

The annual policy provides (within reason) just about any Navigational limits that you want as respects to coastal California waters. (They *normally* go as far north as 51 degrees North latitude and as far south as 24 degrees South latitude (La Paz) year-round. However, we can also offer as far south as about 22.5 degrees South latitude (Mazatlan) between the dates of November 1<sup>st</sup> until June 1<sup>st</sup> each year (Hurricane Season).

“Standard” broadest wording is: **Pacific Coastal Waters and Tributaries Not North Of Latitude 51 Degrees, Nor South of Rio Santo Tomas, Mexico.**

This coverage depends on the size of the yacht, its onboard equipment, and the experience of the owner/captain and crew in the waters navigation is being requested.

Also can provide less extensive Navigational Areas:

- SF Bay & Tributaries, not west of the Golden Gate Bridge
- SF Bay & Tributaries, including a 30 mile radius of Mile Rock.
- SF Bay & Tributaries, and Pacific Coastal Waters not north of Bodega Head, nor South of Point Sur

### **Does the Old United Policy allow for club races?**

Yes, our policies allow for “club races”!

### **What is required to obtain coverage?**

1. Application for Insurance (online or hardcopy)
2. Yacht Survey (see below for requirement)
3. Pacific Cup Skipper/Owner Certification, Representation and Warranty
4. Pacific Cup Yacht Inspection Report
5. Skipper/Crew resumes
6. Return Skipper/Crew resumes
7. Itinerary (how long in Hawaii or do you have cruising plans?)

Survey Requirement:

- A. Any yacht under eleven (11) years of age will **not** need a *recent* out-of-water condition and value survey and/or rigging and tackle inspection;
- B. Any yacht between eleven (11) years and twenty (20) years will need an out-of-water condition and value survey and rigging and tackle inspection performed within the last two (2) years ...so since the race is held in 2008, an out-of-water condition and value survey and rigging and tackle inspection performed sometime **between July 1<sup>st</sup>, 2008 and July 1<sup>st</sup>, 2010;**

- C. Any yacht twenty-one (21+) years or older regardless of size (actually *especially* the 24 footers and smaller yachts), we would need a *current* -- within the past twelve months --- out-of-water condition and value survey and rigging and tackle inspection on these "older watercraft" for obvious reasons.

Crew Coverage:

In addition, skippers will need to know how many crew members they intend to have and if "crew coverage" for **paid crew** will be desired for the race. If they are "unpaid crew", then no coverage is available.

All of the above information is required at the very least (90) days before the race.

**Goal:** *Make this as easy as possible for the applicant to apply for the insurance and receive a quote with the **Pacific Cup Race Endorsement** premium included; yet do not do a "bait and switch on them" and misrepresent the fact that just anyone will "qualify" without meeting the necessary criteria at least ninety (90) days prior to each even year's Pacific Cup Race.*

**Are any other deductibles available?**

The annual policy does have "higher deductible options" of 3%, 4% and 5% available.

- A. The Pacific Cup Race Endorsements would *normally* run **3%** ---in lieu of a standard 1% or 2% "non-racing deductible" for watercraft under \$350,000 in hull value; and
- B. **5%** ---in lieu of a standard 1% or 2% "non-racing deductible".

**What am I getting for my \$\$?**

P&I/Liability Coverage and all the "other ancillary coverages" --- Medical Payments Coverage, Wreck Removal, Emergency Towing and Assistance Coverage, Uninsured Boaters Coverage, Underinsured Boaters Coverage and Personal Effects Coverage --- are also provided for the Pacific Cup Race with this flat additional premium endorsement. Obviously, Physical Damage Coverage is also included, subject to the higher "Pacific Cup Race Deductible" [and "**NO**" this is not "a hull insurance rider only"!]. There is "no" deductible on the P&I/Liability portion of the policy.

Old United Company's policy also has several *unique* features that many other Company's policies' simply do **not** contain. (see attached **Millennium Mariner Gold Highlights Sheet** which Highlights some of them.)

**Please note:** A Pacific Cup member must have continuous coverage with Old United in the non-race years in order to be considered for coverage in subsequent race years. i.e. if an insured buys the policy from Old United one year (say 2008), **not** buy the "off-year's" (2009) annual policy from, and then *attempt* to buy the *next* season's (2010 Pacific Cup) insurance policy, Old United would under no circumstances be in a position to offer a policy to that *former* Insured. They MUST stay continuously insured with Old United...or all bets are off!

### **What about shipping coverage?**

The Policy *only* provides watercraft owners "**Physical Loss and Damage Coverage**" on their hulls while racing, cruising, return trips and not also while on board ocean freighters as "cargo". The Insureds/watercraft owners would need to secure their own "cargo coverage" for the return trip on a "F.A.S. ocean freighter basis in Hawaii *until* F.A.S. at the unloading point in California, Oregon and/or Washington" outside any program Old United would possibly consider or offer. (Obviously, OUC/Vantage Casualty would also provide **P&I Coverage, Medical Payments Coverage, Uninsured/Underinsured Boaters Coverage, Emergency Service and Towing Assistance Coverage, and Contaminant/Oil Spill Pollution Coverage** --- as per our *usual* form for the watercraft's normal "cruising/navigation parameters in the U.S. and Canada continental coastal and inland waters; the Pacific Cup race itself; while cruising Hawaiian waters; and the return trip I-F on their "own bottoms" --- but none of these ancillary coverages while aboard the ocean freighter return trips where the yachts are considered "cargo".

### **Are there any yachts that would automatically be excluded?**

"Single-Handers" and "Double-Handers" are all excluded. Also excluded are *any* watercraft or Insureds whose "normal/standard annual navigational waters are in Hawaii" or who reside and moor their watercraft in Hawaii.

### **What are the payment terms?**

The Pacific Cup Yacht Policy premium must be received in our office within 20 days of billing. Payment options include:

- A. Full payment of premium
- B. Down payment (25%) with financing options.

# MILLENNIUM MARINER GOLD YACHT POLICY

## *The Best Coverage at the Best Price Just Got Better!*

One of the most comprehensive and innovative yacht insurance "package" policies has been improved in the **Millennium Mariner Gold**. With this "agreed value" insurance protection, you'll find superior basic coverages, additional "featured" coverages and higher "standard limits" than most competitors. And, you can expect a very affordable premium. IN ADDITION, extensive optional coverages allow you to create policies that are custom-made for your clients!

You can expect the best protection, value and service from **Old United Casualty Company's Marine Division**, one of the nation's most innovative yacht insurance specialists. Rated "A Excellent" for its financial strength and ability to meet its financial obligations by A.M. Best Reports.

### *Experience the following broader coverages:*

- Improved **Medical Payments Coverage** sublimit increased from \$10,000 per occurrence to \$25,000 per occurrence.
- Now \$500,000 of **Contaminant Spill / Pollution Liability Coverage** is included at no additional premium charge.
- Now **No "Seasonal" Lay-up Restrictions** so the insured's yacht can be used year round.
- **Automatic "limited" Paid Captain and Paid Crew Coverage**.
- **Coral Reef Damage Coverage** subject to its own \$100,000 sublimit of coverage; and \$50,000 sublimit for government fines and / or penalties.

You have the ability to personally customize your insured's yacht policy by choosing even higher coverage limits and/or lower deductibles at a minimal additional cost.

## **Superior Coverage**

- **Hull Coverage** while the yacht is afloat, stored ashore, or in transit by trailer or by truck. This includes the hull, machinery, sails, fittings, and unattached equipment and accessories. Unattached equipment and accessories temporarily stored ashore are covered up to 50% of the amount of the yacht's hull, machinery and equipment value.
- **Hull Equipment Coverage** for dinghies, tenders, yacht trailers, and outboard motors (dependent upon age), provided they are scheduled separately.
- **Liability/P&I Coverage** for loss of life, bodily injury, and property damage to third parties, with limits available up to \$1,000,000.
- **Uninsured/Underinsured Boaters Insurance Coverage** which matches the **Liability/P&I Coverage** limits chosen, subject to a \$500,000 maximum limit.
- **Primary Medical Payments Coverage** for your client's guests/passengers and *excess* coverage for all "insureds" up to \$25,000 per occurrence.
- **Personal Effects Coverage** of \$2,500 for your insured's personal property and that of others is included. Higher limits are available at a *nominal* additional premium.

- **Emergency Service And Towing Coverage** (including yacht trailer roadside service) in case of an emergency of \$500 is included. Depending upon the value of the yacht, higher limits are available up to \$10,000 at a *nominal* additional premium.
- **Longshore and Harbor Worker's Compensation Insurance Coverage** is included at no additional premium.
- **Non-Owned And Loaner Yacht Liability Coverage** included at no additional charge, subject to certain policy provisions.
- **Newly Acquired Property Coverage**, subject to certain policy provisions.
- **Defense Cost Coverage**
- **Wreck Removal Expense Coverage**

### *Plus the following additional "featured coverages":*

- **Reduced \$250 Electronic Navigational Device Deductible**
- **Rental Reimbursement Coverage**
- **Automatic \$3,000 Unscheduled Dinghy & Outboard Motor Coverage**
- **Hurricane/Named Storm Haul-out Protection Coverage**
- **Additional Repair Coverage**
- **Underinsured Boaters Coverage**
- **"Limited" Contractual Liability Coverage**
- **Chartering Liability Coverage**

## **Optional Coverages Available**

- **NAVIGUARD™ Mechanical Breakdown Insurance Endorsement** for "qualified" yachts. A *unique* Old United Casualty Company feature!
- **Full-Time Captain / Crew Coverage Endorsement**
- **Navigation Limit Extension Endorsement** for special trips your insured may decide to take in the future.
- **Land Transportation Extension Endorsement**
- **"Six-Pack" Charter Coverage Endorsement**

*Special premium discounts are applied when calculating your insured's annual premium for:*

- Their years of yachting experience
- Previous yacht ownership
- A "multi-policy" discount
- Completion of various boating educational courses
- *Automatic* fire protection equipment
- Yacht and yacht trailer theft-deterrent and security devices

*All coverages are subject to policy limits, terms and conditions.*

*For a complete coverage description, refer to the actual Millennium Mariner Gold Watercraft Insurance policy form.*

# OLD UNITED / VANTAGE CASUALTY COMPANY

## PROUDLY INTRODUCES OUR NEW

### “MILLENNIUM MARINER GOLD” YACHT POLICY PROGRAM

Our analysis of the Marine Insurance Market over the last year; input derived from our two “Agent Seminars”; and numerous agency visits during 2005, has resulted in the following “improvements/revisions” to our *current* **MILLENNIUM MARINER** Yacht Policy Program:

- *Elimination* of the MECHANICAL BREAKDOWN Exclusion;
- *Elimination* of the stated SEAWORTHINESS Clause;
- *Elimination* of our ICE, FREEZING & EXTREMES OF TEMPERATURE Exclusion --- *except* as relates to the Insured’s “improper winterization”;
- *Elimination* of the LAY-UP PROVISION Warranty on the Declaration Page;
- \$500,000 **CONTAMINANT SPILL LIABILITY COVERAGE** *automatically* included;
- \$25,000. of **MEDICAL PAYMENTS COVERAGE** is now “standard”;
- The addition of *automatic* “limited” **PAID CAPTAIN / PAID CREW COVERAGE**;
- We will now be able to consider yachts up to 25 years old and newer with a *current* (less than 2 year old), hauled survey;
- More **EMERGENCY TOWING & ASSISTANCE COVERAGE** limit options now available;
- **CORAL REEF COVERAGE** now included ---subject to its own sub-limit;
- CATAMARANS & TRIMARANS may now be submitted for consideration;
- Vessels with KEVLAR HULLS may now be submitted for consideration;
- CARBON FIBER MASTS may now be considered --- subject to a 50% deductible.;

All this, in addition to our *existing* coverage/program features:

- ❖ **Rental Reimbursement Coverage**;
- ❖ **Hurricane Protection Coverage**;
- ❖ **Additional Repair Clause Coverage**;
- ❖ *Reduced \$250 Electronics Deductible Coverage*;
- ❖ *Automatic \$3,000 Unscheduled Dinghy & Outboard Motor Coverage*; and
- ❖ **New more competitive pricing** will make the new Old United “Millennium Mariner Gold” Yacht Policy Program the product of choice for your agency in 2006!

AGENT: \_\_\_\_\_

OLD UNITED CASUALTY COMPANY  
(d/b/a VANTAGE CASUALTY COMPANY in the State of California)

**BOAT/YACHT QUOTE SUBMISSION FORM**

Name: \_\_\_\_\_ DOB: \_\_\_\_\_ State/Zip: \_\_\_\_\_ Phone #: \_\_\_\_\_

Most Recently **Owned** Boats: Make: \_\_\_\_\_ Length: \_\_\_\_\_ Purchased: \_\_\_\_\_  
(including HP)

Make: \_\_\_\_\_ Length: \_\_\_\_\_ Purchased: \_\_\_\_\_

Make: \_\_\_\_\_ Length: \_\_\_\_\_ Purchased: \_\_\_\_\_

Total years boating experience: \_\_\_\_\_ Safety course(s): \_\_\_\_\_

Year of Vessel: \_\_\_\_\_ Make: \_\_\_\_\_ Model: \_\_\_\_\_ Type: \_\_\_\_\_ Length: \_\_\_\_\_

Year of Engine(s): \_\_\_\_\_ Make: \_\_\_\_\_ No. of engines: \_\_\_\_\_ Total HP: \_\_\_\_\_  Gas  Diesel

MAX SPEED: \_\_\_\_\_ Power type:  IB  I/O  O/B  Sail  Aux  Jet

Purchase price: \$ \_\_\_\_\_ Date: \_\_\_\_\_ Theft deterrent:  Boat  Trailer

Auto extinguishing system:  Co 2  Halon Safety equipment: \_\_\_\_\_

Year of dinghy: \_\_\_\_\_ Make: \_\_\_\_\_ Length: \_\_\_\_\_ Value: \$ \_\_\_\_\_

Year of dinghy motor: \_\_\_\_\_ Make: \_\_\_\_\_ Value: \$ \_\_\_\_\_

Year of trailer: \_\_\_\_\_ Make: \_\_\_\_\_ Value: \$ \_\_\_\_\_

Navigational Territory:  Inland waters  Coastal  Great Lakes  
 Mid-Atlantic (Sandyhook, NJ to Cape Henry, VA up to 25 miles offshore)  
 Other: \_\_\_\_\_

Lay-up dates: \_\_\_\_\_ to \_\_\_\_\_  Ashore  Afloat **Mooring State/Zip:** \_\_\_\_\_

Private Pleasure?:  YES  NO  Fishing Guide Other: \_\_\_\_\_

Has any operator sustained any auto/boating accidents/losses or boating/driving violations/tickets or DUI's in the last 3 years?  YES  NO If "YES", please explain: \_\_\_\_\_

Hull Value: \$ \_\_\_\_\_

Deductible desired:

Outboard #1: \$ \_\_\_\_\_

**BOAT:**  \$100  \$250  \$500  \$1000

Outboard #2 or kicker motor: \$ \_\_\_\_\_

**YACHT:**  1%  2%  3%  4%  5%

Dinghy/Tender: \$ \_\_\_\_\_

Watercraft Liability/P&I desired:

Dinghy/Tender outboard: \_\_\_\_\_

\$50,000  \$100,000  \$300,000

Trailer: \$ \_\_\_\_\_

\$500,000  \$1,000,000 (**Yachts ONLY**)

Personal effects: \$ \_\_\_\_\_

ADDITIONAL COVERAGES:

- Pacific Cup Race Endorsement**  Naviguard MBI  Bristol Plus Endorsement  
 Contaminant Spill Liability (**Boats ONLY**)  Total Replacement Cost (**Boats ONLY**)

**TOLL FREE FAX NUMBER 1-800-777-BOAT (2628)**