

## **2012 Pac Cup Seminar, Hired delivery.**

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If you are considering having your boat sailed home by a hired captain and crew, here are a few considerations.

I write this from the perspective of a captain, and have seen as many different scenarios as there are boats, owners, captains and locations. There is no set formula or pricing, but rather some guidelines and questions to ask and answer.

I will refer to the two sides of the deal as the owner and the captain. (During the race over, the owner is generally the captain; hence the definition here.)

Some captains set rates by the mile, others by the day. Each scenario has pros and cons. Being flexible on both sides of the deal is best.

Establishing clear goals and guidelines is important, too. If you “need” to get the boat back to the mainland in time for some event, that is an important factor. If you do not have time restraints, this may be a factor in lowering the price if the captain can take some extra time and visit other harbors or islands before the crossing. Some captains look at this as an opportunity to sail a beautiful boat, in a beautiful location without having to own it! Other captains are in it strictly as business and will help you get you bags into the taxi so they can get started.

**STAY LEGITIMATE!** Over the years many people have successfully had a friend from down the dock come out to Hawaii, get the boat home, stuff a few dollars in the pocket and walk away. Like the school teachers say on the playground... It’s always fun, until someone gets hurt.

Most of you are well insured and it is a substantial part of your budget to maintain insurance. The insurance companies are in business to hang onto as much of your premium as possible. Despite that premise, they are your ally! One of the first hurdles to cover is “Paid Crew Endorsement”. If you are paying someone on your crew, be it for the delivery or part of your race crew, there are restrictions that have insurance implications. There is a long-winded Federal thing called the Jones Act that is in play when someone is employed on the water. It evolves from protection for longshoremen, but has reached into the private boating sector as well. Discuss you plan with your insurance agent and get real definitions and advice.

I have found that it does not make sense to try to work around it! You must put on your “paranoid” hat and say “What if?”

Imagine this scenario: Some unforeseen event takes place and someone is injured or worse. Everyone lawyers up and you expect to have insurance coverage. Captain X says you hired him; insurance company reviews policy and sees you ticked “NO” on the hired crew box... probably end of story.

I try to go about it the other way. When bidding a delivery, I ask the owner to have me added to the policy as “additional insured” or “named captain” or “additional operator”, the insurance company will usually ask for my background and copy of license etc and now I am “pre-screened” as far as insurance is concerned. Premiums for this are generally minimal. (About \$200 per paid crew) It doesn’t always work that way, but quite often, yes. Sometimes, on larger boats, an additional hired hand is needed. As a skipper, I also fully inform the owner if I am paying some of the crew from my compensation or if they are along for the adventure. There is a difference in “pay” and “reimbursement” so do your homework. I will not deliver an un-insured vessel.

Be sure to be clear with the captain that he cannot be charging his crew for passage on your boat. (I have seen it done where the captain considers it a training voyage and charges “tuition”.) There are many more layers that get involved at that point. If that is even a remote possibility, you will need even more detailed discussions regarding insurance. The legitimate sailing schools do it, and cover themselves and passengers properly.

It is your responsibility to provide the skipper with a safe and sound platform. Unless spelled out differently in the agreement, you and your race crew should plan on being responsible for getting the boat out of “race mode” and into delivery mode. This includes a thorough cleaning of boat and linens and all running rigging checked and stowed. Any maintenance items discovered during the race should be professionally addressed. Some delivery skippers are quite skilled in these areas, but they should be compensated for the extra time it takes to do repairs. You are hiring a delivery skipper, not a boatyard or maintenance contractor. If you want that... it needs to be discussed.

Many years ago, insurance companies would only ask to see the delivery skipper’s resume, a crew list, and itinerary. They would evaluate “in-house” and approve. In the past 10 years or so the industry decided to get out of the business of rating skippers, so they almost all now require the delivery skipper to have a USCG License. A license is specifically intended to approve the carrying of passengers for hire, but it seems to serve the insurance companies as some form of proof of background, training and ability.

My perfect scenario for a Pac Cup Delivery: (Assuming I am not part of the race crew)

I meet with the owner before the trip and see the boat in person. I usually quote a fee of \$4 per mile, plus expenses. (2250 miles, HI to CA= \$9,000)On smaller boats (unfortunately) the passage will take longer so some of those are converted to a daily rate or a combination such as the base rate and \$X per day over 20 days. I often have a paid first mate along for about a flat \$1000 or \$2000. Owner pays a deposit, up to the entire fee amount and I set about getting crew. I try to be at the dock when the boat finishes and may be a day or two ahead of the rest of the delivery crew. I work alongside race crew to help clean and prep the boat and find out any major maintenance issues.

I provision and finish prep and get underway. I keep detailed records and accounting. When I arrive at final destination, I make sure the boat is clean and report any maintenance issues to owner. I prepare expense report and go over it with the owner, if any disagreement about expenses, some room for negotiation (OK, I’ll split the cost of the last dinner we had in Kaneohe Bay), final payment, and I’m on my way with a new chapter in the slide show.

FLEXIBILITY/REALITY CHECK ... Cancellation clauses are tricky for both sides. Owner trusts the captain to deliver valuable boat. Captain is trusting that boat is prepared properly and is spending real time and energy to be ready. If the boat is not seaworthy, the captain should not set to sea. Despite all the best planning, each year it seems one or more boats drop out early and return to CA. Others have had unusual failures requiring either large scale repairs or shipping home. And of course the occasional change of plans before the starting gun. Once captains commit to a delivery, they are off the market and their calendar is blocked for the time committed to you, up to a month! This is considerably different than missing a dentist appointment if the delivery doesn't happen!

It would be near impossible to have a contract that spells out all contingencies. Remaining flexible and trusting that the captain truly has your interests at heart goes a long way. I have heard tales of boats being part way home and needing to return for repairs etc. Owners and captains need to have that awareness and stay flexible to negotiate in good faith, that the captain will do what is best for boat and crew and owner will fairly compensate for time spent.

All real expenses need to be reimbursed. The double edge of airfares can bite you one way or the other. Refundable/changeable tickets can be quite expensive, low fare tickets are usually non-refundable, and usually need long lead time. Some owners prefer to do the travel bookings; others turn over all return details to be handled by the captain. (Owners have enough on their plate getting to the start line already!)

There are many captains looking for work listed on the "[Ads/Crew List](#)" link on the Pac Cup web page.

Smooth sailing and good luck!

Carry On,

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