Washington State Department of
Enterprise Services

Frequently Asked Questions

Marine (Non-Ferries) Insurance

1.	WHAT ARE THE MARINE (NON-FERRIES) POLICIES?	These policies provide (1) Hull & Equipment property damage coverage from various perils of the sea on scheduled vessels, (2) Protection and Indemnity (P&I) liability for bodily injury or property damage caused by the insured (state of WA) to a third party (incl. its own passengers and crew), (3) Vessel Pollution Liability coverage, and (4) Excess Protection and Indemnity including Excess Vessel Pollution Liability.
2.	ISN'T LIABILITY COVERAGE FOR THE MARINE OPERATIONS PROVIDED BY THE SELF INSURANCE LIABILITY PROGRAM (SILP)?	The Self Insurance Liability Program specifically excludes protection and indemnity exposures relative to vessel operations over 26 feet in length or with more than 50 horsepower motors.
3.	HOW ARE THE VESSELS AND EQUIPMENT VALUED IN THE HULL AND EQUIPMENT COVERAGE?	The vessel and equipment values are based on market value which is what the vessel and its attached equipment would sell for in the current market.
4.	WHAT DOES PROTECTION AND INDEMNITY (P&I) INSURANCE COVER?	The Protection and Indemnity policy covers third party legal liability risks for vessel operations including cargo, crew, personal injury to third parties, passengers, stowaways, collisions, damage to fixed and floating objects, wreck removal and fines. There are three optional liability coverages within P&I: (1) for your vessel only (2) for your passengers, and (3) for your crewmembers. Your crewmember P&I coverage would include claims made under the Jones Act, a federal law that allows an employee acting as a crewperson to bring suit against a vessel owner for negligence resulting in injury. The current annual premium for P&I coverages: (1) Vessel Only - $250 with $25,000 deductible and $350 with $5,000 deductible, (2) Passengers - $50 per Passenger, and (3) Crew - $400 per crewperson with $25,000 deductible and $650 per crewperson with $5,000 deductible. The current P&I policy limit is $1,000,000 per occurrence. Some agencies purchase additional limits through an Excess Policy.

5.	**WHAT IS VESSEL POLLUTION LIABILITY COVERAGE?**	This coverage is designed to cover cost and damages incurred by the insured (agency) for removal, response or remedial action due to legal liabilities caused by discharges, releases of a hazardous substance under the (1) Oil Pollution Act of 1990, (2) Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), (3) spills of other substances and (4) other Federal and State Law. Vessel Pollution Liability coverage has a $1,000,000 limit/occurrence and no deductible. Some agencies purchase additional limits through the Excess Policy.
6.	**CAN I BUY ONLY THE POLLUTION COVERAGE?**	No, you must also buy P&I coverage on the vessel in order to buy the Vessel Pollution Liability coverage.
7.	**WHY WOULD I BUY THE EXCESS COVERAGE POLICY?**	You would buy excess coverage if you need a higher limit of insurance than $1,000,000 for your P&I and Pollution Liability exposures. You can buy limits from $1,000,000 to $9,000,000 excess of the primary $1,000,000. The current annual premium is $946 per $1,000,000 of excess limits.
8.	**CAN A VESSEL BE ADDED TO OR DELETED FROM THE COVERAGE DURING THE POLICY PERIOD?**	The policy period runs from July 1 to July 1. At renewal, the premium rates are set by the underwriters after reviewing the submitted schedule of vessels. You can add a vessel to the schedule during the policy period by filling out a schedule and submitting it John Christenson at the Office of Risk Management. The completed schedule is forwarded to the broker who submits it to the underwriter. Once the underwriter quotes a premium and it's accepted by the insured, the insured will receive an invoice for the pro-rated (effective date of coverage to end of policy period) premium. If a vessel is to be deleted, the agency should contact John Christenson with the effective date and reason for deletion. The broker will be notified and a pro-rated return premium will be credited to the agency by invoice. The billing and refunding of premium should take place in a 30-45 day period.

9.	WHAT IS THE TERRITORIAL COVERAGE OF THE POLICY?	Expressed in trading limits, the policy provides coverage to vessels that are warranted confined to the waters and tributaries of Washington, Oregon, California, Idaho, and British Columbia; they are held covered in the event of navigation beyond these limits with notification to the insurance companies as soon as practicable. Scheduled insured vessels are covered at all times (in and out of water) during the policy year.
10.	WHO DO I CONTACT IF I HAVE OTHER QUESTIONS	Contact John Christenson at (360) 407-9461 at the DES Office of Risk Management.