

# The AAIS Boatowners Program

The first standardized program  
for insuring small private watercraft





## ■ ARE YOU PREPARED TO INSURE BOATS?

It's not difficult.

Since 1992, insurers have been using the flexible coverage and simplified rating available through the **AAIS Boatowners Program** to provide watercraft coverage to their personal lines accounts.

The **AAIS Boatowners Program** provides a comprehensive product platform that can readily be used as the basis of an accommodation line or a marine specialty product.

Using this program, you won't have to send your best personal lines accounts looking elsewhere for their boat insurance — and risk losing the account entirely.

## ■ THE AAIS SOLUTION

The **AAIS Boatowners Program** has evolved to include certain defining features:

- Coverage can be written on a stand-alone basis or as an endorsement to another personal lines policy.
- Coverage can be for property only, liability only, or for property and liability.
- Uninsured boater coverage is automatically provided under every policy written to provide liability coverage.
- A simplified rating procedure allows personal lines underwriters to rate for territory, size of boat, operator experience, and other factors without requiring specialized marine expertise.

Most importantly, the **AAIS Boatowners Program** is a cost-effective “off the shelf” program that can help you achieve your growth objectives.

## ■ A COMPLETE PACKAGE

<b>Eligible property</b>	Privately owned watercraft (including personal watercraft) that are 30 feet or less in overall length, 20 years or less in age, valued at \$75,000 or less, with a maximum speed not greater than 50 mph.
<b>Additional property coverages</b>	<ul style="list-style-type: none"><li>• Boating equipment; optional personal effects coverage available</li><li>• Newly acquired property</li><li>• Emergency service</li></ul>
<b>Perils</b>	Open perils coverage subject to standard exclusions plus exclusions for certain boating practices and hazards.
<b>Property loss settlement</b>	Property losses covered on an actual cash value basis; agreed value coverage available by endorsement.
<b>Personal liability coverage</b>	Covers damages for which an insured is legally liable and which arise out of the use of covered property and non-owned boats.
<b>Medical payments coverage</b>	Coverage for medical expenses arising out of covered property or a non-owned boat.
<b>Additional liability coverages</b>	Additional coverage for: <ul style="list-style-type: none"><li>• Claims and defense cost</li><li>• Coverage for removal of wrecked or sunken property provided for up to 25% of the personal liability limit</li></ul>
<b>Liability exclusions</b>	Coverage subject to standard liability exclusions, plus additional exclusions for: <ul style="list-style-type: none"><li>• Business exposures with the exception of entertainment of business clients</li><li>• Kite skiing</li><li>• Non-permissive use</li><li>• Racing or speed contests</li></ul>
<b>Uninsured boater coverage</b>	\$10,000 included in policies providing liability coverage; higher limits available for an additional premium.
<b>Deductibles</b>	Several deductible options available: <ul style="list-style-type: none"><li>• Flat deductible from \$100 to \$5,000</li><li>• Split deductibles \$50/100 to \$250/\$5000</li></ul>
<b>Coverage territory</b>	Coverage is extended up to 100 miles from coast. Coverage for personal watercraft limited to 10 miles from coast.
<b>Rating components (partial list)</b>	<ul style="list-style-type: none"><li>• Eleven navigational territories</li><li>• Type of boat</li><li>• Age of boat</li><li>• Navigational training and experienced operator credits</li><li>• Multi-owner surcharge</li><li>• Navigational, safety equipment credits</li></ul>



## ■ YOUR AAIS BOATOWNERS PRODUCT TEAM LEADER

The 2008 revision of the AAIS Boatowners Program was developed primarily by **Pam Nykaza**, an AAIS senior product development specialist and a former product manager with Allstate Insurance, with support from AAIS actuarial, product development, filings, and operations specialists.



Pam talks about what boat insurance can mean for insurers:

“Offering boat coverage allows [insurers] to round out the coverage provided to a household. It can increase market penetration and aid in the retention of valuable accounts. If you add a boatowners policy to a personal lines account with an auto, homeowners, and umbrella policy, you are generally adding a piece that will make the overall account more profitable.

“The intent of this program is to meet the needs of the average boater, while providing a product that would be easy to write even for an underwriter with minimal exposure to boating or marine insurance.

“There is not a steep learning curve for underwriting boatowners insurance. . . . much of the information you need to underwrite the property coverage is readily available. . . . As for underwriting the liability exposure, you’ll find that many of the predictors for boatowners risk are the same as those for auto and homeowners risks. . . .

To hear Pam’s complete comments, go to  
<http://www.aaisonline.com/im/boat08.html>

**For information** on affiliating with AAIS for use of the Boatowners Program, contact Rick Maka, director of marketing, at [rickm@AAISonline.com](mailto:rickm@AAISonline.com) or by calling 800/564-AAIS.



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