



Boy Scouts



IN THIS ISSUE:

>> Inland Marine Coverage



### INLAND MARINE COVERAGE - WHAT IS IT AND HOW DO I MAKE THE MOST OF IT?

Inland Marine Coverage is designed to cover anything that is regularly mobile from construction equipment to boats and camping equipment. Some items may cross the barriers and can be considered either Business Personal Property or Inland Marine equipment. The best way to determine these items (such as tools) is to read your policy or ask your insurance agent.

Inland Marine coverage styles can vary significantly from insurance carrier to carrier. It is important to understand your exposure as well as your coverage. To determine your exposure a council must consider what they have versus what they regularly use and need. Some councils have ample surpluses of small canoes but they could also have a large boat or piece of equipment that is crucial to their operations.

Once you have compiled your list of items you wish to insure, then you will need to determine appropriate values. For example, let's say you determine the amount of insurance you would like to receive if your backhoe or lawnmower is destroyed.

If it is a 20 year old backhoe and insured at Actual Cash Value, you might find that the payout amount is less than expected. Actual Cash Value is the amount to repair or replace less depreciation. Therefore, the older a piece of equipment is the less you may receive in the event of a covered loss.

Replacement Cost Value can sometimes be available. This is the cost to repair or replace a piece of equipment and does not diminish as the equipment ages. Rather, the cost to replace tends to go up with inflation and time. If you have replacement cost value on your inland marine equipment, like the USI program offers, make sure you have the right limit on your policies so that you can receive the best return in the event of a covered loss.

Another factor is the deductible. Some policies state that a deductible applies on an individual basis for each scheduled item while other policies state that the deductible applies on a per occurrence basis. A per occurrence deductible means that only one deductible applies for each separate event such as a storm or fire. USI's program offers the 'per occurrence' deductible option.

Once you have a good understanding of what you have, what you choose to insure and what your policy is capable of insuring, you should make sure the valuations on your policy match the limits you are reporting. This will enable the council to make the most of their premium dollars by not over or under-insuring.



**FOR MORE INFORMATION CONTACT:**  
USI Colorado LLC Program Administrator, Leah Gearhart | leah.gearhart@usi.com | 800.873.8500 | bsa.usi.com