AIMU Presentation

6 Pack Charter Operations
Overview of The Charter Industry

- Inshore/Coastal Fishing
  - Flats – Keys
  - Coastal day charters
  - Rivers and Inland Waters
  - Eco & Nature Tours
  - Sightseeing
- Offshore Fishing
  - Big Game Fishing
- Tournament Fishing
  - Trophy Bass
  - White Marlin Open
The Economic Impact

- Over 3,500 Licensed Charter Operations in the US
- Market Sector Represents 411.9 Billion in Revenue in 2020
- 1.7 % Growth over 2019
- 2021 is expected to far out pace this growth as Charter Operations actually thrived during COVID (though communicable diseases are excluded and compliance with “local authority” is mandatory under the policy language).
Passengers For Hire

- What is a “Passenger For Hire”?
- What is “Consideration”?
- Inspected Vessels (COI)
- Uninspected Vessels
THE CHARTER FORM

• Agreed Value Basis
• All Risk Basis – Subject to exclusionary language
• Machinery Coverage (Named Perils)
• Coverage for Equipment Stored Ashore
• Salvage & Sue & Labor Under Hull and P&I
THE CHARTER FORM – P&I COVERAGE

• Captain & Crew Coverage
• BI Coverage for passengers on docks, gangways, floats & piers while transiting to or from the insured vessel.
• Collision coverage
• Wreck Removal
• Optional Damage to Marine Environment to include Fines & Penalties
• Defense Costs outside of the LOL
THE CHARTER FORM OPTIONAL COVERAGE

• Tournament Fee Reimbursement
• Named Storm Precautionary Measures (HHO)
• Transportation Coverage
• Personal Property/Fishing Tackle Coverage
• Emergency Towing & Assistance
• Additional Interests/Loss Payees/Breach of Warranty Coverage
UNDERWRITING CONSIDERATIONS

• Ownership
• Business Practices
• Operator Experience
  • Licensing
• Crew Experience
• AHV within 10% of Current Market Valuation
• Navigation Areas/Limits
• Prior Loss History
• Seaworthiness & Ongoing Maintenance Program
UNDERWRITING CONSIDERATIONS (Continued)

• Safety Equipment
• Navigation Equipment
• COI On file and Displayed for Inspected Passenger Vessels
• Marine Surveys
  • NAMS/SAMMS Surveyors
  • Self Surveys
  • PHOTOS-PHOTOS-PHOTOS & MORE PHOTOS
LICENSING

- USCG Cracking Down
- 6 Pack License
- Tonnage Considerations
- Beware of Fraudulent and Forged Documents
The Vessels

- Size Range from 18-20 feet through 80+ feet
- Ages 1970’s on up
- Cold molded and FRP hulls
- Wood a no go
- Outboard, I/O/Inboard Gas or Diesel
- Watertight integrity
- Fire Safety
CLAIMS

- Collision
- Allision
- Swamping/Partial Submersion
- Fire
- Mechanical Breakdown
- Theft
- Passenger Injury
EMERGING ISSUES

- Claims Expenses/Settlements
- Natural Disasters
- The Aging of the Fleet
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