

Boat Insurance Audit
Report by Head of Safety Management

Summary: This report sets out the results from a recent audit of a sample of private boat owner's third party insurance compliance.

The committee's views are sought on the results of the survey and the options as set out in Section 5.2.

1 Introduction

- 1.1 In 2010 the Broads Authority, after consultation with the Navigation Committee, set requirements for boat owners to hold compulsory third party liability insurance in place to a value of £2,000,000.
- 1.2 This requirement is applicable to all vessels on the navigation and adjacent waters although the following exemptions were agreed.
 - Any unpowered vessels in the navigation or adjacent waters which are less than 6 sq. meters in block area
 - Any unpowered visiting vessel in the navigation area or adjacent waters 4m or less in length
- 1.3 To satisfy this provision the Authority requires boat owners to make a declaration that they have the relevant insurance in place when paying their toll, be it an annual or short visit toll.
- 1.4 Following a small number of incidents where parties were found not to be insured an exercise has been carried out to validate the effectiveness of the self-declaration process by selecting a number of boat owners and requesting their insurance details to validate whether the correct insurance was in place at the time of declaration.

2 Sample Selection

- 2.1 A sample size of 100 was selected for the audit, this represents 1.2% of the total number of boats tolled that required insurance.
- 2.2 Hire and small passenger boats were excluded from the sample as their insurance provision is checked during routine audits. The tolls database was used to select private vessels that required insurance and had been issued with a current toll. A random number was allocated to each entry, the data sorted into order and the first 100 records selected for the survey.

2.3 The sample selected delivered a range of vessels including:

- 13 Auxiliary Yachts
- 4 Day boats
- 70 Motor boats
- 5 Outboard powered dinghies
- 1 Work platform
- 7 Sailing boats

3 Process

3.1 Boat owners were written to requesting a copy of their insurance covering the period when they made their declaration that insurance was in place.

3.2 Returns were assessed on three criteria:

- was insurance in place at the time of the declaration
- was the level of cover as prescribed by the Authority
- was the insurance in accordance with the provisions of the 2009 Act

4 Results

4.1 Following a number of letters and other communications the following data has emerged:

- 100% response, all boat owners surveyed have been engaged with
- 87 boat owners had policies that were fully compliant
- 5 boat owners confirmed they did not have insurance in place at the time of declaration, but have insurance in place now
- 6 boat owners have stated that they have insurance but are still to present documents for validation (ongoing enquiry)
- 2 policies supplied had no specific mention of third party cover (ongoing enquiry)
- All policies presented complied with the requirements of the 2009 Act
- Of the 87 policies presented all had either the minimum or more cover required by the Authority.

5 Next Steps

5.1 The Authority has powers under the provisions of the Broads Authority Act 2009 to formally request information relating to insurance from boat owners.

5.2 The survey has only tested a sample of boat owners who have paid a toll for their boat. The status of insurance for boat owners that have not been through the tolls process is unknown and may likely deliver a different result.

5.2 Following the initial audit there are a number of options available:

- do nothing further
- re-run the survey annually to inform further policy development

- re-run the survey with a larger sample to inform policy development
- Take a risk based approach and request insurance information following the issue of written warnings and /or notice of contraventions for no payment of tolls
- Require insurance policies to be presented on application for tolls

Members views are sought.

Background papers:	None
Author:	Steve Birtles
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Broads Plan Objectives:	None
Appendices:	None