

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 audit and the proposal set out in 5.

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. See Appendix 1.
- 1.4 The method of self-declaration was agreed during the development of the Broads Authority Act 2009 and forms part of the legal agreement between the Broads Authority, the Royal Yachting Association and British Marine.
- 1.5 An audit of insurance was carried out in 2015 which sampled 100 private boat owners to validate the effectiveness of the self-declaration process and to validate whether the correct insurance was in place at the time of declaration.
- 1.6 Following the first audit the Navigation Committee requested that a subsequent audit be completed in 2 years but with a larger sample size.

2 Sample Selection

- 2.1 A sample size of 300 was selected for this audit, confirmed independently as a statistically robust sample size. The sample has been taken at 50 records each month from March to August.

- 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 in the relevant month of the survey period.
- 2.3 A random number was allocated to each entry for each completed month, the data sorted into order and the first 50 records selected from each month for the survey.
- 2.4 The sample selected over the 6 month period, 300 records, delivered a range of vessels breaking down as follows:

45	Auxiliary Yachts
20	Day boats
172	Motor boats
43	Outboard powered dinghies
18	Sailing boats
2	Rowing Boats

3 Process

- 3.1 Boat owners were contacted requesting a copy of their insurance covering the period of 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

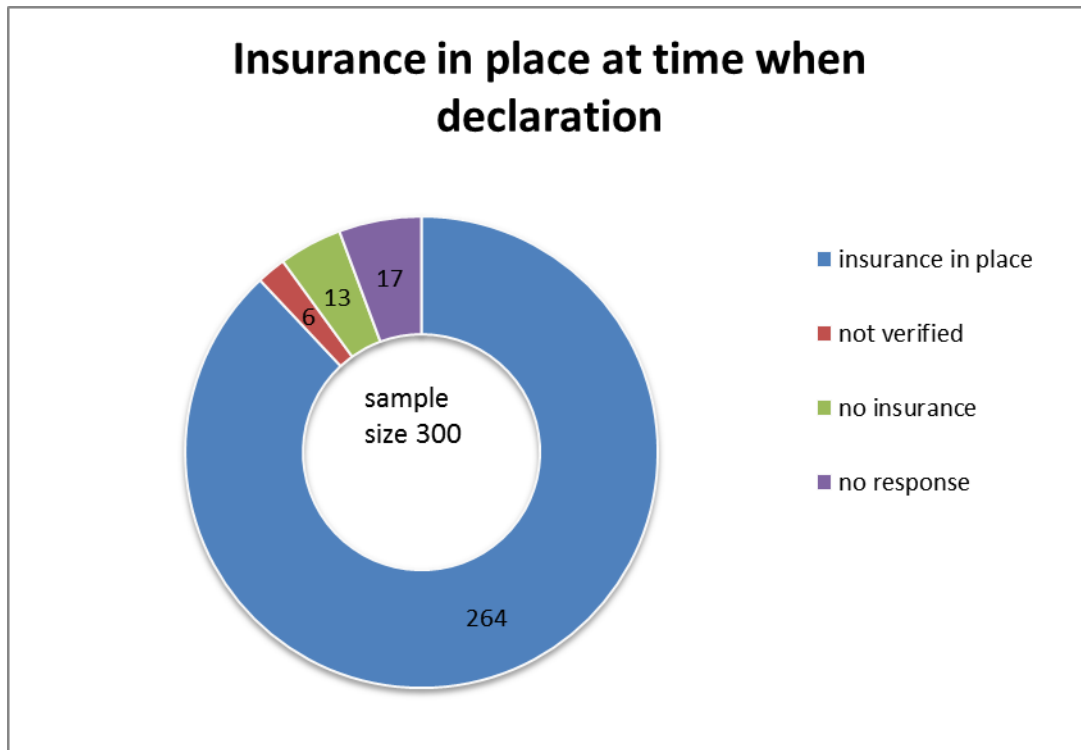
4 Results

- 4.1 Following a number of letters and other communications the following data has emerged to date.
- 264 boat owners had policies that were fully compliant – 88% of the sample size.
 - 6 not verified, Boat owners said they had insurance but no documentation was forthcoming.
 - 17 boat owners have not responded to the request.
 - 13 Boat owners confirmed they had no insurance in place when the declaration was made.
- 4.2 All policies presented complied with the requirements of the 2009 Act.
- 4.3 All of the policies presented had either the minimum or more cover required by the Authority.
- 4.4 Of the 13 Boats without insurance at time of declaration
- 7 have insurance in place now

- 3 out of the water and not in use
- 3 owner confirmed that insurance was not in place

4.5 The non-compliant boats break down as follows

- 7 outboard powered dinghies
- 1 auxiliary yacht
- 1 day boat
- 4 motor cruisers



4.6 The Authority has powers under the provisions of the Broads Authority Act 2009 to formally request information relating to insurance from boat owners. Some boat owners who have not co-operated with the requests made during the audit have been issued with formal notice under Section 21 of the Broads Authority Act 2009. Officers will continue to follow up on the remaining 17 boats where owners have not responded to date and issue notices to the 6 boat owners where the documentation has not been verified.

4.7 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 Conclusion

5.1 The verification of boat insurance has provided a valuable exercise and of the 283 boats where owners have responded an overwhelming majority have the appropriate insurance in place.

5.2 The results present a relatively static position regarding compliance when compared with the results from the previous insurance audit in 2015.

2015 – 87% of boats complaint, sample size 100

2017 – 88% of boats complaint, sample size 300

5.3 As the results of the last two audits are relatively similar members views are sought on the frequency of future insurance audits.

Background papers: Boat Insurance Audit- Navigation Committee
3 September 2015

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Date of report: 08 November 2017

Broads Plan Objectives: 4.3 - Implement, promote and monitor measures to maintain and improve safety and security for navigation and boats.

Appendices: Appendix 1 - Insurance declaration

Broads Authority

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Tel 01603 610734



Broads Authority
The Broads - a member of the
National Park family

Broads Authority – Insurance Declaration

To be completed by owners of:-

- (a) Powered vessels
- (b) Unpowered vessels with a block area of 6 or more square metres

Owners Name/s.....

Address.....

Broads Authority Reference Number (if known) BA.....

I/We declare that there is in force a policy of insurance which:-

- (a) Covers the owner of the vessel/s named below

NameRegistration Number.....

and such other persons as are authorised by the owner to have control of the vessel(s) in respect of any liability which may be incurred by the owner, or any such other person, resulting from the presence of the vessel(s) in the navigation area or adjacent waters, in respect of death of, or bodily injury to, any person or any damage to property; and

- (b) Is for a minimum sum of £2,000,000 (two million pounds); and
- (c) Is issued by an insurer authorised under the Financial Services and Markets Act 2000 to carry on in Great Britain or in Northern Ireland insurance business of a relevant class or who has corresponding permission under the law of another member state of the European Community.

Signature.....**Date**

The insurance policy need not cover:-

- employers liability
- damage to the vessel itself or goods carried on it
- any liability to a person in respect of damage to property in their custody or control
- any contractual liability

Block area is calculated by multiplying the length of the vessel by the breath of its full beam at its widest part, in each case to include the length or breath of any fixed fendering.