

Plain Talk Series: A Basic Explanation of Personal Watercraft (PWC) Insurance Policies

The “declaration page” of your insurance policy lists the different types of insurance coverages available. In other words, the declaration page lists the insurance coverages that you pay for as part of your insurance policy premium. Definitions of these different types of coverages are described below:

Bodily Injury Liability Insurance Coverage: This coverage is required in Georgia. It protects you if you are found legally responsible for the bodily injury of another person resulting from the operation of your watercraft, or even your operation of another person’s watercraft. You are protected up to the policy limit that you select on your watercraft insurance policy. The minimum amount of bodily injury liability coverage in Georgia is \$25,000.00 per person; \$50,000.00 per accident.

As an example, if you had the minimum limits of \$25,000.00/\$50,000.00, any one person can collect up to \$25,000.00 for their injuries from your insurance company. If you were legally responsible for the injuries of more than one person, each person could collect up to \$25,000.00 but your insurance company will *not* pay more than \$50,000.00 for everyone’s injuries combined.

Property Damage Liability Insurance Coverage: This coverage is required in Georgia. It protects you if you are found legally responsible for the damage to someone else’s property resulting from the operation of your watercraft, or even your operation of another person’s watercraft. Certain property damage liability insurance policies also cover the cost to pay to remove or clean up fuel spilled as a result of an accident for which you are legally responsible. You are protected up to the policy limit that you select on your watercraft insurance policy. The minimum amount of property damage liability coverage in Georgia is \$25,000.00 per accident.

As an example, if you had the minimum limits of \$25,000.00 and were legally responsible for the damages to another person’s property resulting from the operation of your watercraft, that person could collect up to \$25,000.00 from your insurance company for their damaged property.

Medical Payments Insurance Coverage (or “Med Pay”): This coverage is optional in Georgia and more or less supplements any health insurance that an injured party maintains. It is important to note that med pay is primary coverage over and above health insurance. In the event of a watercraft accident or boating related injury, med pay covers the costs of medical, dental and funeral expenses for you and your watercraft’s passengers. Med pay is different from health insurance in that there are no copays or deductibles. Instead, med pay is a dollar-for-dollar benefit up to the insurance policy limits. Frankly, whether you have health insurance or not, med pay protects you.

Med pay covers you and your passengers for their boating related injuries whether the accident is your fault, someone else’s fault or nobody’s fault. Only your watercraft’s occupants are entitled to your med pay benefits so it only matters if *your* watercraft has med pay coverage. Med pay can

even protect you if you are operating another's person's watercraft or a passenger in somebody else's boat.

Uninsured / Underinsured Boater Bodily Injury & Property Damage Insurance Coverage (or "UM"): This coverage is optional in Georgia. UM insurance provides protection for you and your passengers in the event that you or they are injured by a boater who does not have any, and in some cases not enough, insurance to cover your injuries. UM insurance coverage also protects you from unknown or hit-and-run boaters.

Unfortunately, many boaters choose to purchase minimum insurance limits or even boat illegally without any insurance coverage. If one of these underinsured / uninsured boaters causes an accident that injures you or your passengers, you will need uninsured / underinsured boater's bodily injury insurance coverage.

Uninsured / Underinsured Boaters Property Damage insurance is also optional in Georgia. This type of UM insurance coverage provides protection for costs related to damage to your insured / covered watercraft and your watercraft's contents (e.g., gear, life preserver, sunglasses, etc.), if the watercraft is damaged by a boater who does not have any, and in some cases not enough, insurance to cover your property damages.

There are two (2) types of UM coverage in Georgia: 1) *Added to* at-fault liability limits; and 2) *Reduced by* at-fault liability limits. These are explained below:

- 1) *Added to* insurance limits: If you are injured or damaged by a boater that has insurance but not enough insurance, your uninsured / underinsured insurance coverage limits are *added to* the other boater's liability limits so you can potentially collect the total of the two policies combined.

For example, if the at-fault boater has \$25,000.00 in insurance coverage and you have \$25,000.00 of *added to* uninsured / underinsured insurance coverage, you could potentially receive a combination of the policy limits or $\$25,000.00 + \$25,000.00 = \$50,000.00$.

- 2) *Reduced by* insurance limits: If you are injured or damaged by a boater that has insurance but not enough insurance, your uninsured / underinsured insurance coverage limits are *reduced by* the other boater's liability limits.

For example, if the at-fault boater has \$25,000.00 in insurance coverage and you have \$25,000.00 of *reduced by* uninsured / underinsured insurance coverage, you would only receive \$25,000.00 from the at-fault boater's insurance company and \$0.00 from your uninsured / underinsured *reduced by* insurance coverage. $\$25,000.00$ (at-fault boater) - $\$25,000.00$ (reduced by uninsured / underinsured limits) = \$0.00 paid by your own uninsured / underinsured insurance coverage.

If you do not have UM coverage and an uninsured or underinsured boater is legally responsible for you or your passenger's bodily injuries and property damages, you will not be protected or compensated for these injuries or damages.

Collision Insurance Coverage: This coverage is optional in Georgia. Collision insurance pays for the damage done to your trailer and watercraft resulting from a boat accident regardless of who is at fault for the collision. This is important because if you are legally responsible for causing an accident, collision insurance is the only type of insurance coverage that will pay for your boat to be repaired. Collision insurance can also be helpful in terms of speeding up the timeline for getting your watercraft repaired after an accident.

Comprehensive Insurance Coverage: This coverage is optional in Georgia. Comprehensive insurance pays for the damage done to your trailer and watercraft resulting from any incident that is *not* an accident. This is different from collision insurance coverage (explained above) as comprehensive insurance coverage protects you for damages related to theft, fire, vandalism, flooding, hail, etc.

The best would be if your watercraft is stolen or if a storm causes damage to your boat. Comprehensive insurance coverage would pay for this type of damage.

You work hard so that you can play hard. Know what insurance coverage you need in order to protect you and your toys.