TO: Port Commission

FROM: Holland Mac Laurie, Administrative Services Manager

DATE: April 23, 2018

SUBJECT: Review Proposed Vessel Insurance Standards

Recommendation: Develop recommendation on vessel insurance standards for consideration by the Port Commission.

BACKGROUND

The Santa Cruz Port District does not currently require slip renters to maintain or provide proof of vessel liability insurance. The Policy-Operations Committee met on August 16, 2017, and again on March 13, 2018, to discuss this matter and receive stakeholder input.

The committee recommended that a third public meeting be conducted to further discuss and refine its recommendation to the full Commission. Staff has prepared draft ordinance language, a draft policy, and a revised policy administration proposal for review and consideration by the committee.

ANALYSIS

DRAFT ORDINANCE LANGUAGE

The proposed draft ordinance language is intended to be general in nature, to allow flexibility of application. In the event future revisions to the vessel insurance requirements are warranted (i.e. change to type and/or amount of insurance), all changes can be addressed on a policy level, rather than requiring an ordinance modification.

SECTION 316 – Vessel Insurance

In accordance with policies set forth by the District, all vessels must remain currently insured to retain slip license.

DRAFT POLICY

Commencing January 1, 2019, or upon acceptance of a slip assignment, all vessels (including recreational, commercial, and business use) must remain currently insured to retain slip license at Santa Cruz Harbor. Vessel insurance must, at a minimum, meet the following criteria:

(a) Commercial & Recreational Vessels (including business use)

1. Provide general Liability (Protection and Indemnity) vessel insurance coverage, including wreck removal and pollution coverage, with a minimum policy limit of $300,000.

2. Vessel insurance policies shall name the Santa Cruz Port District (SCPD) as Additional Insured, if available from the underwriter. A Certificate of Insurance certifying coverage
limits shall suffice only if an endorsement naming SCPD as *Additional Insured* is unavailable from the underwriter.

3. Owners of transient vessels are requested, but not required, to provide proof of insurance for short-term berthing privileges. Owners of transient vessels requesting berthing beyond the two-week maximum may be required to provide proof of insurance as a condition of the extension, which requires Harbormaster approval.

(b) **Additional Requirements**

1. Sublettors shall be required to provide proof of insurance for their vessels in accordance with this policy.
2. Insurance policies for vessels held in partnership must list the individual names of each vessel partner.

(c) **Excluded Vessels**

1. This vessel insurance policy is not applicable to:
   a. Vessels occupying:
      i. Dry Storage (Twin Fountains & North Harbor Dry Storage)
      ii. Rack Storage
      iii. Catamaran Storage
   b. Launched Vessels
   c. Human-Powered Watercraft

**POLICY ADMINISTRATION PROPOSAL**

**Implementation:**
It is recommended that insurance requirements should be effective for existing customers January 1, 2019, and immediately for new slip assignments.

Staff is prepared to perform the necessary outreach to inform existing slip renters of the upcoming policy change. Staff will work with individuals who may need additional time to comply with the new requirements on a case-by-case basis.

**Administration / Enforcement:**
Options for administering / enforcing new insurance requirements were discussed by the committee; however, no firm recommendations were developed. Staff recommends adapting current administrative procedures to include monitoring vessel insurance coverage:

1. Generate a monthly courtesy notice to slip renters who have upcoming expirations (e.g., on the monthly billing statements).
2. At the conclusion of the month, staff will reach out to individuals who have not yet provided updated insurance information and work on a case-by-case basis to bring them into compliance.
3. If after a reasonable amount of time has passed (typically 60 days after policy expiration or such time as determined by the committee) and updated insurance information has not been received by the District, staff will commence the slip revocation process as a last resort to achieve compliance.
Transition Period
Staff plans to monitor vessel insurance coverage in accordance with the proposed policy, but recognizes that a transition period will exist following implementation. The transition period, which is estimated to last approximately six months to one year, will require staff to perform outreach and communicate with slip renters. During this transition period, staff will further develop the administrative procedures necessary to monitor and achieve compliance. As part of the committee’s recommendation, an annual insurance review can be added to the Commission’s review calendar. Additionally, staff recommends an interim compliance report be presented to the Commission in Fall 2019.

Staff recommends that enforcement action be delayed until after the interim Commission review in Fall 2019.

OTHER TOPICS:

Discussion topics:

- Level of enforcement and proposed enforcement timeline?
- Insurance “type” issues
- Issues with naming SCPD Additional Insured
- Uninsurability Issues: If a vessel is uninsurable, what action shall be taken or what fee should be assessed (similar to uninsured vessel policy at the boatyard)? Should vessels be “grandfathered” and allowed to stay if uninsurable? What about unattended electrical use for uninsured vessels?
- Timeline for adoption of ordinance: Newly adopted ordinances become effective 30 days after the date of final passage.
- Is slip license amendment necessary, if an ordinance is adopted?

ATTACHMENTS:  
A – Staff Report to the Policy-Operations Committee dated August 5, 2017  
B – Policy-Operations Committee Meeting minutes dated August 16, 2017  
C – Staff Report to the Policy-Operations Committee dated February 23, 2018  
D – Policy-Operations Committee Meeting minutes dated March 13, 2018  
E – Insurance Requirements Survey dated July 13, 2017  
F – Sample Insurance Document: “Boat Fact Finder”  
G – Stakeholder Emails
To: Port Commission Policy / Operations Committee  
   - Toby Goddard  
   - Dennis Smith

From: Holland Mac Laurie, Administrative Services Manager

Date: August 5, 2017

Subject: Review of Port District's Vessel Insurance Policy

Recommendation: Review information relative to vessel insurance requirements.

BACKGROUND

The Santa Cruz Port District does not currently require slip renters or transient vessels to maintain or provide proof of vessel liability insurance. The policy committee last considered this topic in August 2005. While the committee felt it was important for slip renters to carry liability insurance, they did not recommend it be required. However, after a vessel fire occurred on U-Dock earlier in the year, there was consensus among the Commission to review the District's current policy and determine if a change is necessary.

The District currently relies on its slip license agreement to protect against any and all claims. The slip license agreement states the following:

   "Any person using the facilities within the limits of Port District property or maritime facility shall assume all risk of damage or loss to his property and the District assumes no risk on account of fire, theft, act of God, or damages of any kind to vessels within the harbor, waterway or maritime facilities"

To aid in the committee’s discussion, staff conducted an “insurance” survey of 29 California harbors, spanning from Crescent City to Dana Point, and has compiled that data for review. The survey results (Attachment A) outline each harbor’s vessel insurance requirement (including minimum insurance levels) and enforcement policies. Of the 29 harbors surveyed, 23 require vessels to maintain liability insurance. Of the 6 harbors that do not require vessel insurance, 3 (City of Eureka Marina, Humboldt Bay Harbor, and Morro Bay Harbor) are actively discussing policy updates to include a vessel liability insurance requirement.

ANALYSIS

Policy considerations for the committee to discuss are presented below.

Required Type of Insurance:

LIABILITY INSURANCE (PROTECTION & INDEMNITY or P&I)
   • Provides maximum coverage to the District.
• Covered liability claims include bodily injury, property damage, and personal injury. Wreck removal and pollution (fuel spill) are standard policy inclusions.
• Recommended minimum coverage amount is $500,000. A $300,000 policy may be adequate, but is not likely to cover all costs in the event of a vessel fire.
• Premium costs are typically calculated at the following rate:
  o Sailboats: 1.25% of hull value.
  o Powerboats: 1-2% of hull value (higher rate due to ancillary equipment).
  o No additional costs are incurred to list the District as additional insured.
• Prior to issuance of a liability insurance policy, a survey is required for vessels measuring 27' or greater.
  o Surveys costs are estimated at approximately $14-$20/ft.
  o Surveys are used to determine the condition and value of the vessel.
  o Depending on the insurance provider, vessels that are less than 10 years old may not be required to have a survey performed.

HULL & MACHINERY (H&M)
• Provides no coverage to the District.
• Covered H&M claims only protect a vessel against physical damage (bodily injury, property damage, personal injury, wreck removal, and pollution (fuel spill) are NOT included).

HOMEOWNERS' INSURANCE POLICY (UMBRELLA COVERAGE)
• Provides some coverage to the District.
• Individual homeowners' insurance policy may provide coverage for vessels measuring 26' or less.
• Wreck removal and pollution (fuel spill) are typically not included in this type of policy.

Required Amount of Insurance:

The recommended minimum coverage amount under a P&I liability policy is $500,000. Harbors are trending towards a higher policy limit of $500,000 to protect against and cover claims associated with vessel fires. Of the 23 surveyed harbors that require vessel insurance, 14 require a minimum policy of $300,000, while 7 require a higher amount of $500,000. Staff noted that several harbors will be increasing their minimum limit from $300,000 to $500,000 in the near future.

The committee may wish to consider a tiered structure, in which commercial fishing vessels are required to carry a higher policy amount (ex: $1 million). Due to the nature of their work, commercial fishing vessels (as a group), typically have the highest number of claims and most injury. Salvage costs and the potential for environmental damage are also increased with older, wooden, commercial boats.

Obtaining vessel insurance for a commercial fishing vessel is often times very difficult because of the age and type of boat. Co-op insurance policies, which provide liability insurance, are available to commercial vessel owners, but require a “buy-in” and require all participating members to interact cordially. Pillar Point Harbor excludes the commercial fishing fleet from having to provide proof of insurance.
Who will be Required to Provide Proof of Insurance?

- Slip Renters / Dry Storage Renters Only (exempt hand-powered vessels)
- Transient Vessels Only (see note below regarding Harbor of Refuge)
- Slip Renters and Transient Vessels
- Consider any Exclusions (ex: Commercial Vessels, Transient Vessels)

Harbor of Safe Refuge
The Santa Cruz Harbor is designated as a federal and state harbor of safe refuge. The California Harbors and Navigation Code Section 70.5 states that “...No small craft harbor of refuge shall exclude, consistent with the intent of Section 40, the use of that harbor by a commercial boat, or any vessel in need of a safe harbor for refuge purposes. Each vessel entering and using a harbor of safe refuge pursuant to this section shall pay the published fees for services rendered while in the harbor and shall comply with all other applicable local, state, and federal laws while in the harbor and while using any facilities in the harbor.”

Policy for Tracking & Enforcing Vessel Insurance

Vessel insurance policies are valid for one year from the date of purchase. Because individual policies are not on the same recurring cycle, like vessel registration, considerable staff time will be needed to monitor, track, and enforce individual policy expiration dates to ensure coverage does not lapse. Staff believes that adequate time is available to perform these duties.

The District’s current marina management software program provides a tracking mechanism for insurance information, so staff can monitor expiring policies on a monthly basis, sending courtesy reminders, as needed.

In the event coverage does lapse, enforcement measures will need to be discussed. For example:

- Extend a 7-day grace period to correct the lapse in coverage.
- Impose a daily fee (ex: $5/day) until current proof of insurance is provided. Payment of the uninsured vessel fee does not extend coverage to an individual under the Port District’s policy.
- Initiate slip revocation process (slip license modification or adoption of ordinance will be required).

Additional Topics for Discussion

- Amend the District’s current slip license agreement to reflect changes relative to the insurance requirement.
- Adopt an ordinance relative to vessel insurance requirements.
- What should be done for vessels that are unable to obtain insurance (ex: wooden boats, extremely old boats, commercial fishing boats, etc.).

ATTACHMENTS:  
A. Survey of California Harbors’ Insurance Requirements - July 13, 2017  
B. Sample Policy – Brickyard Cove Marina  
C. Sample Policy – San Francisco Marina Small Craft Harbor
Special Public Session of August 16, 2017

Santa Cruz Port Commission
Policy-Operations Committee Meeting
MINUTES

Committee Members Present:
Toby Goddard
Dennis Smith

Staff Present:
Marian Olin, Port Director
Holland Mac Laurie, Admin. Services Manager
Latisha Marshall, Harbormaster
Blake Anderson, Senior Deputy Harbormaster
Emma Olin, Admin. Assistant I

Committee-Chair Goddard called the special public session to order at 9:00 AM at the Harbor Public Meeting Room, 365A Lake Avenue, Santa Cruz, CA.

1. Oral Communication

   Discussion: Slip renter Richard Bartlett expressed his concern about pigeons nesting under the brow piers in the area of X-dock.

   Commissioner Steve Reed announced that he is in attendance as a member of the public.

2. Review of Vessel Insurance Policy

   Discussion: The Policy Committee reviewed the harbor’s vessel insurance policy. Committee-Chair Goddard noted that the vessel fire on U-Dock earlier in the year prompted the Commission to review the District’s current policy and determine if a change is necessary.

   Attendees included insurance industry representatives, who were available to help answer technical questions about vessel insurance.

   Port Director Olin requested that the Commission discuss and consider policy recommendations for the following:

   - Who will be required to carry insurance
   - What type of insurance will be required
   - Required amount of insurance
   - Policy tracking and enforcement issue
   - Timeline for adoption

   A discussion ensued regarding different types of vessel insurance policies.
Port Director Olin stated that of the 29 harbors surveyed, 23 require vessel owners to maintain liability insurance. She noted that of the 6 harbors that do not require vessel insurance, 3 are actively discussing policy updates to include a vessel insurance requirement.

In response to a question posed by Committee-Chair Goddard, insurance industry representative Mr. Chris Deaver stated that the cost of insurance does not increase if the harbor is listed as additional insured.

Commissioner Smith stated that he is supportive of the development of a policy that would require slip renters to maintain and provide proof of liability insurance for their vessels. Committee-Chair Goddard agreed. He suggested that a special public meeting be held to receive public input from harbor users prior to adoption of a new policy.

Mr. Deaver recommended a minimum liability coverage amount of $500,000. Mr. Deaver stated that a $300,000 policy may be adequate but is not likely to cover all costs in the event of a vessel fire.

Port Director Olin confirmed that harbors are trending toward higher policy limit of $500,000, according to the survey.

Commissioner Smith asked if the Port District would realize a cost savings if the harbor has a minimum requirement that vessel owners carry $300,000 or $500,000 in liability insurance. Port Director Olin stated that she will follow up with the District's insurer.

A discussion ensued regarding different types of harbor users and who may be required to provide proof of insurance. Specifically, Committee-Chair Goddard questioned if dry storage renters and daily launchers would be required to provide proof of liability insurance.

In response to a question posed by Committee-Chair Goddard, Senior Deputy Harbormaster Anderson stated that dry storage slip renters sign a different Slip License Agreement (SLA) than wet slip renters. He noted that dry storage slip renters utilize a daily launch ramp pass.

Committee-Chair Goddard stated that it would difficult to track insurance of the daily launchers. Port Director Olin agreed.

Audience member Steve Reed asked if it would be possible to include a surcharge in the daily launch fee that would protect the harbor. Committee-Chair Goddard requested that Port Director Olin research more about an additional charge for daily launchers.
There was consensus among the Committee to exclude dry storage slip renters and human-powered vessels from the proposed insurance requirement. Port Director Olin stated that it is often challenging for commercial fishing vessels to obtain vessel insurance because of the age and type of the boat. She noted that Pillar Point Harbor excludes the commercial fishing fleet from having to provide proof of insurance.

A discussion ensued about staff's ability to monitor, track and enforce individual insurance policies. Administrative Services Manager Mac Laurie stated that the District's current marina management software program provides a tracking mechanism for insurance expiration, so staff can monitor expiring policies on a monthly basis and send courtesy reminders, as needed.

Administrative Services Manager Mac Laurie stated that if the harbor is listed as additional insured, then the insurance company will automatically forward a copy of updated insurance to the District.

The Policy Committee developed the following recommendations:

- Develop a policy that would require slip renters to maintain and provide proof of liability insurance with endorsement(s) for wreck removal and pollution for their vessels (minimum coverage amount $300,000), naming Santa Cruz Port District as additional insured;
  - Policy would apply to slip renters, commercial and business operators. Visitors will be asked to verify coverage, but are not required to provide proof. Excluded: dry storage, launchers, and human-powered craft.
- Schedule a special public meeting to receive public input from slip renters and harbor users;
- Direct staff to consult the District's insurer to see if premium savings may result from policy adoption;
- Direct staff to research if a surcharge that covers the District can be added to the daily launch fee.

The Committee acknowledged vessel surveys may be required.

3. Review of Charter Operation Policy

Discussion: The Policy Committee reviewed the harbor's charter operation policy.

Commissioner Smith stated that he advocated for a discussion of the harbor's charter operation policy, noting that impacted parking and competition are his primary concerns.
A discussion ensued regarding charters and their impact on parking in the harbor.

Senior Deputy Harbormaster Anderson stated that it is in the interest of the charter business to develop a parking solution for their customers (i.e. encouraging customers to carpool, offering shuttle buses, operating at off-peak times).

Committee-Chair Goddard stated that it is his belief that the Commission is not responsible to protect competition among harbor businesses. Port Director Olin agreed.

Port Director Olin stated that the impacts of mid-sized charters (passenger rating of greater than 6, but less than 49) are not recognized in the current fee schedule. She recommends a new mid-sized charter fee ($119 x 2 x passenger rating). She stated that a fixed rate makes it easier on charter businesses and staff (as opposed to auditing individual passengers).

Port Director Olin stated that no fee changes are recommended for existing charter operations.

There was consensus among the Committee to develop a recommendation for a new mid-sized charter fee ($119 x 2 x passenger rating).

Port Director Olin stated that staff anticipates bringing a revised fee schedule before the Commission at its regular public session in September for approval.

Committee-Chair Goddard adjourned the special public committee meeting at 11:07 AM.

Marian Olin, Port Director
TO: Port Commission

FROM: Latisha Marshall, Harbormaster

DATE: February 23, 2018

SUBJECT: Public Workshop to Review Proposed Vessel Insurance Standards

**Recommendation:** Develop recommendation on vessel insurance standards for consideration by the Port Commission.

**BACKGROUND**

The Santa Cruz Port District does not currently require slip renters to maintain or provide proof of vessel liability insurance. The Policy - Operations Committee held a special public meeting on August 16, 2017, to discuss this matter. A survey of the vessel insurance requirements of other harbors was reviewed and several options were considered. The committee recommendations are incorporated into the “Analysis” section of this report. The committee also recommended a second public meeting be conducted for the purpose of soliciting public input to assist the committee in further refining recommended standards.

**ANALYSIS**

**Committee Recommendations:**

Type and Amount of Insurance: A minimum of $300,000 liability insurance naming the Santa Cruz Port District as an additional insured. Wreck removal and pollution endorsements should be included in the policy.

The committee recognized that while many harbors are currently trending toward a higher, $500,000 coverage limit, the $300,000 limit is a recommended starting point. The committee acknowledged that the Commission may wish to increase the coverage limit to $500,000 at some point in the future.

Insurance Requirements and Exemptions: All slip renters including all commercial and business use vessels will be required to submit proof of insurance on or before January 1, 2019. All new slip renters will be required to submit proof of insurance at the time of signing a slip license agreement immediately following the adoption of the mandatory insurance requirement.

Dry storage, launchers, human powered vessels should be exempt from showing proof of insurance. Staff will request proof of insurance from visitor vessels; however, providing proof of insurance will not be mandatory.

Implementation: The timeline for implementation was not addressed by the Committee. See ‘Staff Recommendations’ below.
Administration / Enforcement: Options for administering / enforcing new insurance requirements were discussed by the committee; however, no firm recommendations were developed. See 'Staff Recommendations' below.

Staff Recommendations:

Implementation: It is recommended that insurance requirements should be effective January 1, 2019, or upon acceptance of a new slip assignment.

Administrative / Enforcement: When the insured generates a request to the insurer to name the Port District as additional insured, a certificate of insurance will be generated and mailed to the Port District. As long as insurance is maintained, the certificate will continue to be automatically generated and forwarded to the additional insured (i.e., the Port District). A dedicated email address can be established for this purpose. It is also expected that insurance certificates will be mailed, faxed and hand delivered. Insurance documents will be placed in a central repository, and entered into MarinaWare by the Harbormaster or designated Deputy Harbormaster staff. MarinaWare has the capability to store vessel insurance information and generate monthly reports based on policy expiration dates.

An amendment to the slip license agreement should be implemented. Staff also recommends development and adoption of a new Port District Ordinance in order to assist staff in the enforcement of the new insurance standards.

To monitor and enforce this new policy, a monthly report will be generated and a courtesy notice will be sent to slip renters who have upcoming expirations. At the conclusion of the month, slip renters who are not in compliance will be issued a citation and given 15 days (or such time determined by the committee) to purchase the necessary insurance. If proof of insurance is still not provided, the slip revocation process would commence.

Other Topics:

Visitor Berthing: As noted above, visiting vessels staying for two weeks or less will be requested, but not required, to provide proof of insurance. Visitors requesting berthing beyond the two week maximum may be required to provide proof of insurance as a condition of the extension, which requires Harbormaster approval.

Sublettors: All sublettors will be required to provide proof of insurance.

Partnerships: All partners must be listed on the insurance policy.

Discussion Topics:

* Proposed timeline for grace period (15 days is recommended). If grace period is extended to 30 days, instead of 15, the total enforcement timeline extends from 75 days to 90 days.
* Level of enforcement and proposed enforcement timeline (recommended: courtesy notice, citation, revocation)
Uninsurability Issues: If a vessel is uninsurable, what action shall be taken or what fee should be assessed (similar to uninsured vessel policy at the boatyard)? Should vessels be "grandfathered" and allowed to stay if uninsurable?

Timeline for adoption of ordinance: Staff will present a proposed ordinance to the full Port Commission for consideration and approval. Newly adopted ordinances become effective 30 days after the date of final passage.

Summary:

Recommended Items For Inclusion In Proposal To Full Commission
- A minimum of $300,000 liability insurance naming the Santa Cruz Port District as an additional insured. Wreck removal and pollution endorsements should be included in the policy.
- Applicable to all slip renters (including commercial and business use vessels).
- Not applicable to dry storage renters, launchers, human powered vessels.
- Visiting vessels staying for two weeks or less will be requested, but not required, to provide proof of insurance. Visitors requesting berthing beyond the two week maximum may be required to provide proof of insurance as a condition of the extension, which requires Harbormaster approval.
- All sublettors will be required to provide proof of insurance.
- All vessel partners will be required to be listed on the policy.
- Level of enforcement will include:
  - Courtesy Notice
  - Citation (with 15 day grace period)
  - Revocation Notice
- Implementation date: 1/1/19 or upon acceptance of a new slip license agreement.

ATTACHMENTS:  
A - Staff Report to the Policy-Operations Committee dated August 5, 2017  
B - Policy-Operations Committee Meeting minutes dated August 16, 2017  
C - Insurance Requirements Survey dated July 13, 2017  
D - Sample Insurance Document: “Boat Fact Finder”
Special Public Session of March 13, 2018

Santa Cruz Port Commission
Policy-Operations Committee Meeting
MINUTES

Committee Members Present:
Dennis Smith
Toby Goddard

Staff Present:
Marian Olin, Port Director
Holland Mac Laurie, Admin. Services Manager
Latisha Marshall, Harbormaster
Emma Olin, Admin. Assistant I

Committee-Chair Smith called the special public session to order at 5:36 PM at Hotel Paradox, 611 Ocean Street, Santa Cruz, CA.

1. Oral Communication (There was no discussion on this agenda item)

2. Public Workshop to Review Proposed Vessel Insurance Standards

Discussion: The Policy-Operations Committee met to receive public input and discuss the development and implementation of a new Port District vessel insurance policy.

Port Director Olin stated that the committee's recommendations will be brought to the full Port Commission for consideration and deliberation at a future meeting.

Committee-Chair Smith stated that the vessel fire on U-Dock in January 2017, prompted the Commission to review the District's current policy and determine if a change is necessary. He stated that the Policy-Operations Committee held a special public meeting in August 2017, and developed the following preliminary policy recommendations:

- A minimum requirement of $300,000 vessel liability insurance, naming the Santa Cruz Port District as an additional insured (including wreck removal and pollution endorsements);
- Applicable to all slip renters (including commercial and business use vessels);
- Not applicable to dry storage renters, launchers, human powered vessels.

Harbormaster Marshall and Administrative Services Manager Mac Laurie reviewed the committee's preliminary recommendations and presented additional policy inclusions for consideration:
• **POLICY IMPLEMENTATION:**
  - Existing Customers: January 1, 2019
  - New Slip Licensees: Implement upon policy adoption

• **NEW INCLUSIONS:**
  - Require sublettors to carry insurance
  - Require that all vessel partners be listed on the policy
  - Request visiting vessels to provide proof of insurance (proof of insurance will not be required, unless Harbormaster grants extension of visitor berthing for more than 2 weeks)

• **ENFORCEMENT:**
  - Courtesy Notice
  - Citation (with 15 day grace period)
  - Revocation Notices

• **ADOPTION:**
  - Amendment to slip license agreement
  - Development of new Port District Ordinance

Administrative Services Manager Mac Laurie stated that the District's current marina management software program provides a tracking mechanism for insurance policy expiration. She stated that the Harbormaster, or designated Deputy Harbormaster staff, can generate monthly reports based on policy expiration dates and send courtesy reminders to slip renters who have upcoming expirations. She stated that insurance policy expiration dates could be included on monthly statements sent to slip renters.

The committee thanked staff for their time and effort in preparing tonight's presentation, and requested public input from attendees. A discussion ensued about the development and implementation of the proposed vessel insurance policy.

Attendees spoke in support of the proposed vessel insurance policy. Stakeholder comments included:

• Support for minimum requirement of $300,000 in liability insurance
• Feasibility of obtaining additional endorsements for wreck removal and pollution
• Concerns about the number of uninsurable vessels in the harbor (i.e. home-made, wooden and multi-hull vessels), and how the District will handle the issue of uninsurability
• Concerns regarding strict policy enforcement during implementation/transition period
• Establish a transition and outreach period to inform slip renters of policy implementation
- Promote a boat yard special to facilitate haulouts for insurance survey requirements

Commissioner Goddard thanked attendees for their participation. He stated that the ideas and input received was valuable. Committee-Chair Smith agreed, and suggested that another special public meeting be held for the purpose of refining the policy's implementation timeline and enforcement strategies. Port Director Olin agreed.

Committee-Chair Smith adjourned the special public committee meeting at 6:40 PM.

Marian Olin, Port Director
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<tbody>
<tr>
<td>Alameda Marina</td>
<td>Private</td>
<td>Yes</td>
<td>Liability Insurance ($250,000)</td>
<td>Yes</td>
<td>No</td>
<td>N/A</td>
<td>Contact</td>
<td>Would not evict if insurance is only issue.</td>
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<td>Ballena Isle Marina</td>
<td>Private</td>
<td>Yes</td>
<td>Liability Insurance ($300,000)</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>30-day notice &amp; eviction</td>
<td>Most comply with insurance req's after contact.</td>
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<td>Berkeley Marina</td>
<td>Public</td>
<td>Yes</td>
<td>Liability Insurance ($300,000)</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Notice &amp; eviction</td>
<td>Liability must include wrecking removal &amp; spills.</td>
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<tr>
<td>City of Petaluma Marina</td>
<td>Public</td>
<td>Yes</td>
<td>Liability Insurance ($300,000)</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td></td>
<td></td>
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<tr>
<td>Clipper Yacht Harbor</td>
<td>Private</td>
<td>Yes</td>
<td>Liability Insurance ($500,000)</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Contact</td>
<td>Rare for vessels not to comply, but eviction would be likely.</td>
</tr>
<tr>
<td>Crescent City Harbor</td>
<td>Public</td>
<td>Yes</td>
<td>Liability Insurance ($300,000; Commercial $1 million)</td>
<td>Yes</td>
<td>Yes (visitors)</td>
<td>No</td>
<td>Contact</td>
<td>Discussion of assessing additional fee on account if insurance coverage lapses.</td>
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<tr>
<td>Dana Point Marina</td>
<td>Hybrid</td>
<td>Yes</td>
<td>Liability Insurance ($300,000; Commercial $1 million)</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>30-day notice &amp; eviction</td>
<td>Most comply with insurance req's after contact.</td>
</tr>
<tr>
<td>Emery Cove Yacht Harbor</td>
<td>Private</td>
<td>Yes</td>
<td>Liability Insurance ($300,000)</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>30-day notice &amp; eviction</td>
<td>Most comply with insurance req's after contact.</td>
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<td>Emeryville Marina</td>
<td>Private</td>
<td>Yes</td>
<td>Liability Insurance ($300,000)</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>30-day notice &amp; eviction</td>
<td>Most comply with insurance req's after contact.</td>
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<td>Fortman Marina</td>
<td>Private</td>
<td>Yes</td>
<td>Liability Insurance (&lt;36 $300,000; &gt;36 $500,000)</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>30-day notice &amp; eviction</td>
<td>Rare for vessels not to comply, but eviction would be likely.</td>
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<tr>
<td>Grand Marina</td>
<td>Private</td>
<td>Yes</td>
<td>Liability Insurance ($300,000; Liveaboard $1 million)</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>30-day notice &amp; eviction</td>
<td>Most comply with insurance req's after contact.</td>
</tr>
<tr>
<td>Marina Bay Yacht Harbor</td>
<td>Hybrid</td>
<td>Yes</td>
<td>Liability Insurance ($500,000)</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>30-day notice &amp; eviction</td>
<td>Most comply with insurance req's after contact.</td>
</tr>
<tr>
<td>Marina Village Yacht Harbor</td>
<td>Private</td>
<td>Yes</td>
<td>Liability Insurance ($500,000)</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Contact</td>
<td>Commercial vessels must have liability insurance ($1 million + pollution) by 2018.</td>
</tr>
<tr>
<td>Monterey Harbor</td>
<td>Public</td>
<td>Yes</td>
<td>Liability Insurance (Commercial $1 million)</td>
<td>Yes</td>
<td>Yes (recreational &amp; visitors)</td>
<td>No</td>
<td>Contact</td>
<td>Facility currently discussing insurance req's. Will most likely require insurance of all vessels in the future.</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-----------------</td>
<td>----------------------</td>
<td>--------------------------------</td>
<td>------------------------------</td>
<td>----------------------------------</td>
<td>-----------------------------</td>
<td>---------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Oakland Yacht Club</td>
<td>Private</td>
<td>Yes</td>
<td>Liability Insurance ($300,000)</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>30-day notice &amp; turn off electronic gate key</td>
<td></td>
</tr>
<tr>
<td>Pillar Point Harbor</td>
<td>Public</td>
<td>Yes</td>
<td>Liability Insurance ($300,000)</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Contact</td>
<td>Most comply with insurance req's after contact.</td>
</tr>
<tr>
<td>Port of Redwood City</td>
<td>Public</td>
<td>Yes</td>
<td>Liability Insurance ($500,000)</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Contact</td>
<td>Most comply with insurance req's after contact.</td>
</tr>
<tr>
<td>Port of San Luis Harbor</td>
<td>Public</td>
<td>Yes</td>
<td>Liability Insurance ($300,000)</td>
<td>No</td>
<td>Yes (all permanent moorings)</td>
<td>Yes</td>
<td>Proof to Register</td>
<td>Only seasonal visitors are required to have insurance.</td>
</tr>
<tr>
<td>San Francisco Marina</td>
<td>Public</td>
<td>Yes</td>
<td>Liability Insurance ($500,000)</td>
<td>Yes</td>
<td>Yes (visitors)</td>
<td>No</td>
<td>7-day period to comply; if not, berthing license terminated</td>
<td>Liability must include fuel spills &amp; hull coverage.</td>
</tr>
<tr>
<td>San Leandro Marina</td>
<td>Public</td>
<td>Yes</td>
<td>Liability Insurance ($300,000)</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>30-day notice &amp; lien process</td>
<td>Most comply with insurance req's after contact</td>
</tr>
<tr>
<td>Sausalito Yacht Harbor</td>
<td>Private</td>
<td>Yes</td>
<td>Liability Insurance ($500,000)</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Contact</td>
<td>Liability insurance must include pollution. Most comply with insurance req's after contact</td>
</tr>
<tr>
<td>South Beach Marina</td>
<td>Public</td>
<td>Yes</td>
<td>Liability Insurance ($500,000)</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Notice &amp; hold annual parking permits if insurance not up-to-date</td>
<td></td>
</tr>
<tr>
<td>Ventura Port District</td>
<td>Public</td>
<td>Yes</td>
<td>Liability Insurance ($300,000)</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>30-day notice &amp; eviction</td>
<td>Commercial vessels must have liability insurance ($1 million + pollution) by 2018.</td>
</tr>
<tr>
<td>City of Eureka Marina</td>
<td>Public</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>2 claims have been made against facility (both unsuccessful). Most likely require insurance in future.</td>
</tr>
<tr>
<td>Humboldt Bay Harbor</td>
<td>Public</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Facility currently discussing insurance req's. Will most likely require insurance in the future.</td>
</tr>
<tr>
<td>Morro Bay Harbor</td>
<td>Public</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Facility currently discussing insurance req's. Will most likely require insurance in the future.</td>
</tr>
<tr>
<td>Moss Landing Harbor</td>
<td>Public</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Noyo Harbor District</td>
<td>Public</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Santa Barbara Harbor</td>
<td>Public</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Slip renters sign release of liability as part of berthing agreement.</td>
</tr>
</tbody>
</table>
# BOAT FACT FINDER

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single/Married</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DOB</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SS #</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DL #</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Driving record</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Years of boating exp</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boat Partner (same as above)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area boat is used</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mooring zip code</td>
<td></td>
<td></td>
</tr>
<tr>
<td>In water or out of water</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Boats Make:

<table>
<thead>
<tr>
<th>Year</th>
<th>Model</th>
<th>Size feet</th>
</tr>
</thead>
</table>

## Hull VIN#:

<table>
<thead>
<tr>
<th>Motor Value</th>
</tr>
</thead>
</table>

## Engine Make:

<table>
<thead>
<tr>
<th>Year</th>
<th>horsepower</th>
<th>Model</th>
<th>Single or Twin</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Outboard Value</td>
<td></td>
</tr>
</tbody>
</table>

## Kicker

## Trailer Make:

<table>
<thead>
<tr>
<th>Year</th>
<th>Model</th>
</tr>
</thead>
</table>

| Serial Number |
|              |

## Boat Value

<table>
<thead>
<tr>
<th>Stated or ACV</th>
</tr>
</thead>
</table>

## Liability

## Liability uninsured Boater

## Personal Property (not bolted to Boat) VALUE

## Towing

## Licenses, classes

## Deductible
STAKEHOLDER EMAILS
Hi All:

That was a great Policy Committee meeting last evening and a very precise presentation by staff too.

It was interesting that no one opposed required insurance, either on general principles, or because they were a boat owner and had low confidence of being able to get it insured.

Several thoughts:

1) While a start date of Jan of 2019 is proposed, I suggest that prior to that, insurance and naming the district as additional insured be “Recommended.” Both to get people started and to give the staff a head start on the process.

2) While the District does not want to offer a “suggested” list of insurers, I bet we could generate a list of all insurers who are covering boats in the harbor. That way people would at least have a better place to start that the yellow pages.

3) Homeowners insurance will often cover boats under 27’ and this should be publicized as a place to look. Of course with a note that wreck removal and fuel spill coverage needs to be included.

4) While there are several ways boats can come to grief, fire is the big one we are concerned about both for our docks and spreading to other boats. Plug in electrical is one of the biggest fire risks, especially on unattended boats. Hence, I suggest full time unattended not be allowed, for uninsured boats, even in the short term.

5) It was interesting to note that some harbors require surveys and this should be considered. It can be an additional check on electrical and plumbing condition. It could certainly be considered for new applications. Must people who have just bought a boat, or have insurance probably already have a survey.

6) “Port Risk Only” This is a version of insurance that insures the boat at the dock, but not use. If is slightly less expensive and can be used if an owner knows he won’t use his boat for awhile, or until defects are corrected. This is something for people to be aware of if a survey shows time consuming repairs are required.

7) As long as slip licensees put in a good faith effort to get insurance, I bet the list of truly insurable boats is pretty short. For those, the concept of a “non insured” fee that goes into a fund for future dock repairs caused by uninsured boats (or to reimburse the last incident) makes sense. The fee should probably vary with slip size and exceed what insurance would likely cost.

Again, great meeting . . .
Bill Lee
Yachtfinders/Windseekers
[www.yachtfinders.biz](http://www.yachtfinders.biz)
[wizard@fastisfun.com](mailto:wizard@fastisfun.com)
Office  831 476 9639  forwards to cell
Cell    831 345 5542
Home    831 476 7702  no machine
Fax      831 536 1678
Skype   wizyacht    Logged in as needed for scheduled calls

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Hello Ms. Olin,

I have followed the Harbor’s stake holders process regarding the proposed requirement that lessees maintain liability insurance of $300,000 +, and I attended the March 13th meeting at the Paradox.

First, I agree that it is reasonable that the Harbor require boat owners maintain liability insurance of at least that amount. In my case I have a yacht policy on my J 42 (B10) with liability a limit of $300,000 and a separate excess liability policies (umbrella) well in excess of $1,000,000 covering the J 42, my residence, my auto, and assorted other boats. The yacht policy includes coverage for bodily injury, property damage and pollution damage an insured becomes legally obligated to pay, including for removal and destruction of the yacht.

After discussing the Harbor’s proposal to require that it be named as an Additional Insured on the yacht policy with the underwriting representatives of Amica Mutual Ins, which provides all my policies on the a fore mentioned risks, I was told they could not name the Harbor as an additional insured. They will provide, however, a Certificate of Insurance certifying they provide $300,000 in liability coverage on this particular boat and certifying "in the event of any material change or cancellation of said policy, Amica will not give less than 10 days written notice, by regular mail, to" the Harbor.

Were I to be responsible for a loss such as occurred last year in the upper harbor, these policies would cover the costs the Harbor incurs for cleanup, wreck removal and disposal, as well as damage to the Harbor’s property and other vessels. The protection afforded by these additional layers of insurance is far greater than than could be had with a yacht policy, even with a $1,000,000 liability limit, and the cost is about a tenth of what the $1,000,000 policy would be, based on my discussions with the agent for other marine carriers.

It is my understanding that there are quite a number of boats in the harbor, including many in the commercial fishing fleet, which are not insurable at any price, and that the Harbor is considering waiving the liability requirements in some instances for some of them. Since the goal seems to be protecting all of the harbor users, including The Port District, it is hardly fair to penalize those who are trying to be responsible and meet the
shared goals by rigidly requiring the Additional Insured endorsement when there are other ways to meet these goals. I respectfully urge you to consider additional ways to accomplish this since I know there are a number of tenants who are in a situation similar to mine.

As an aside, if maximum stake holder input is sought, it would be better to conduct the meeting in the evening rather than at 3p.m. when many will be unavailable. Additional special notices of this meeting would be helpful.

I would be happy discuss this further with you in person, on the phone, etc. Thank you for your consideration.

Bob Warfield
831 423-4985
831 239-2135 cell.

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Certificate of Insurance

This is to certify that Amica has issued to:

Name of Insured: C. ROBERT WARFIELD
Address: 1462 KING ST
           SANTA CRUZ CA 95060

a policy of liability insurance which provides, subject to the provisions, conditions and limitations contained therein, and during its effective period, coverage as described below:

Policy No. 5904042009  Effective Date April 3, 2018  Expiration Date April 3, 2019

Description of Insured watercraft
Year  Length  H.P.  Description
2001  42'00"   J BOAT J-42 HULL # TSP-4205G2001

COVERAGE

Liability: (Bodily Injury and Property Damage) $300,000 Each occurrence

The above policy contains a clause extending the coverage of the policy, subject to the policy terms, to any person while using the watercraft and any person or organization legally responsible for the use thereof, provided that the actual use is with the permission of the named insured.

In the event of any material change or cancellation of said policy, Amica will not give less than 10 days written notice, by regular mail, to:

Company XYZ
123 Main St
Anywheresville, USA

at whose request this certificate is given. This Certificate of Insurance neither affirmatively nor negatively amends, extends or alters the coverage afforded by the Policy listed above.

Dated March 14, 2018

Authorized Representative
RE: C. ROBERT WARFIELD

Ocean Marine Policy: 5904042008

As requested by our insured, we are issuing the enclosed Certificate of Insurance.

This Certificate of Insurance neither affirmatively nor negatively amends, extends or alters the coverage afforded by the policy listed above.

Please contact us if we can assist further.

AMICA MUTUAL INSURANCE COMPANY
I am in exactly the same insurance situation as Mr. Warfield describes, and I wholly support his recommendations.

Douglas Mahone
Avatar, slip FF28
doug@dmahone.com
(916) 541-6607 (m)

-------- Original message --------
From: "C. Robert Warfield Jr." <bobsantacruz@sbcglobal.net>
Date: 4/10/18 2:48 PM (GMT-08:00)
To: Marian Olin <molin@santacruzharbor.org>
Subject: Yacht Insurance Where Excess Liability Insurance Is Also In Force

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Bob Warfield
831 423-4985
831 239-2135 cell.

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I maintain full liability on my boat. I would sure like to know that all my boat neighbors do the same! And if you do not, I would consider the SC Harbor negligent and liable on not requiring this of all Boat skip renters.

Sincerely,

Mas Agua II, G56.
David Hoyle
831-818-4018