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- GENERAL INSURANCE INFORMATION -

Pacific Coast Fishermen's Mutual Marine Insurance Company (Mutual Marine) was incorporated on March 28, 1945 by a Special Act of the British Columbia Legislature. Insured members control the Mutual through their elected Board of directors, representing all of the coastal areas of British Columbia. All of the Board members are commercial fishing vessel owners themselves and the business of Mutual Marine is thus transacted with a full understanding of fishermen's needs.

Consistent with its goal of loss prevention, the Mutual Marine is selective in granting memberships. All applications for insurance are submitted to the Board of Directors for approval, although the management may bind coverage for applicants with sufficient fishing and vessel operating experience subject to the Board's approval at a later date.

NON-OWNER SKIPPER APPROVALS:

It is a condition of our insurance policies that any skipper (other than the owner/operator) of an insured vessel must be reported to, and approved by Mutual Marine. No coverage is provided if an insured vessel is under command of, or being operated by, a non-approved skipper regardless of their qualifications or whether it was their actions which caused a loss. There is a processing fee of \$100 charged for 1st time skipper approval or approval of an applicant who has previously been denied. No fee will be applied for a previously approved skipper's approval on a same or similar vessel.

VESSEL REQUIREMENTS: Insured vessels must comply with certain requirements. A list of the General Requirements for insurance is available from our office and online which will serve as a general guideline. These cover requirements for pumping capabilities, wiring, fire fighting/fire hazards, alarms, watch alarms, propane, etc.

VESSEL SURVEY: Vessels requiring insurance must be surveyed by one of our Surveyors, at no charge to you. Also, we require a resurvey of your vessel every 3 years thereafter. Vessels engaging in herring, sardine or offshore fisheries may require additional inspections specific to those fisheries.

OUT-OF-WATER SURVEY: is required for -

1. Wood vessels with caulking 15 years of age; and/or hull fastenings 30 years of age unless proof of recaulking and/or renailing is provided.
2. Aluminum vessels.
3. Steel vessels, of 30 years of age or older, or at company's request, require hull inspection and/or ultrasonic testing (at the owner's expense) to determine extent of deterioration. Vessels with over limit deterioration may not be accepted for insurance or may require repair. For further information, please contact one of our surveyors.
4. Otherwise as circumstances may require.

TYPE OF PROTECTION: The Canadian Hulls (Pacific) Clauses - 1991 as amended and subject to the rules and regulations of Mutual Marine, form the basis of our *Hull & Machinery* Coverage. In addition, all vessels insured by Mutual Marine are covered for *Protection & Indemnity* (P&I) risks to a maximum limit of \$5,000,000 any one accident, occurrence, or series of occurrences and subject to the rules and regulations of the Mutual.

HULL CONSTRUCTION: We are unable to provide coverage for hulls constructed of cement, strip-plank, or plywood.

VESSEL USE: The Mutual is incorporated to insure only commercial fishing vessels and its coverages are **subject to certain restrictions for use of the vessel other than for commercial fishing**. In any event, you should be aware that except for pleasure use, our P&I coverage is only applicable for commercial fishing purposes. There is no P&I coverage for commercial and/or "for profit" vessel use other than commercial fishing (egs. *Sport-fishing charters, sight-seeing charters, whale watching charters, etc.; logging, hand-logging, or towing logs* or any venture directly or indirectly related).

TRADING LIMITS: Our insurance policy is subject to certain northern, southern and offshore limits as noted in the Members' Handbook and incorporated in the Canadian Hulls (Pacific) Clauses as amended.

OUT-DRIVES: There is no coverage for damage/loss to outdrives, power legs, outboard motors and/or any propeller(s) associated with these drive systems. (Loss resulting from total loss of the insured vessel excepted).

Please feel free to contact our office for further information or if you have any questions.

SEE REVERSE FOR VARIOUS COVERAGES AND RATE CATEGORIES

PACIFIC COAST FISHERMEN'S MUTUAL MARINE INSURANCE COMPANY

* 2020 Rates & Refunds *

Premium Payment: in full on commencement of coverage or arrangements can be made to finance premiums at 0.5% per month on any unpaid balance. Contact the office for more details.

Share: all new applicants are required to purchase 1 x \$10 share.

Subject to any change, the following rate categories (expressed as a percentage of agreed insured value) are all-inclusive of **Hull & Machinery and Protection and Indemnity** coverages:

For Fiberglass or Steel Construction:

Any value, no age limit - *Excluding outboard powered*

Rate Category: 2.8% Received a 67% refund for 2020. **NET COST: 0.938%**

Rate Category: 2%NP Non-Participating as to refund **NET COST: 2%**

\$200,000 +, "A-1" condition, up to 30 years old (Not available to Fiberglass/Balsa Core constructed hulls)

Rate Category: 1.5% Received a 38% refund for 2020. **NET COST: 0.938%**

For Aluminum Construction:

Any value, no age limit - *Excluding outboard powered*

Rate Category: 2.8% Received a 67% refund for 2020. **NET COST: 0.938%**

Or:

Rate Category: 2%NP Non-Participating as to refund **NET COST: 2%**

\$200,000 +, "A-1" condition, up to 20 years old

Rate Category: 1.5% Received a 38% refund for 2020. **NET COST: 0.938%**

For Wood Construction:

Any value, no age limit

Rate Category: 2.8% Received a 67% refund for 2020. **NET COST: 0.938%**

Or:

Rate Category: 2%NP Non-Participating as to refund **NET COST: 2%**

Outboard Powered Vessels:

Any value, no age limit

Rate Category: 3% Outboard Received a 50% refund for 2020. **NET COST: 1.5%**

TRAWLER RATES

(Note: any "T" licensed vessel, that at any time during the policy year engages in trawling, must insure in these rate categories. The 2% non-participating rate does not apply to trawlers.)

Any value, any type construction

Rate Category: 3.15% Received a 67% refund for 2020. **NET COST: 1.040%**

\$200,000 +, "A-1" condition

* Steel or Fiberglass, up to 30 years old

* Aluminum, up to 10 years old

Rate Category: 1.75% Received a 44% refund for 2020. **NET COST: 0.980%**

Subject to any change, the minimum "net" premium payable in any rate category is \$650.

Due to Canada Revenue Agency (CRA) Rules, 15% of any member's declared refund will be paid to CRA to the credit of the member's income tax account.

Effective 2013, **New Members** are eligible for 100% of the declared refund for their first year of membership provided it is claim free. Otherwise Patronage Refunds for a new member's first 12 months' coverage are as follows:

3% and 3.5% rates = 75% of the declared refund

1.5% and 1.75% rates = 50% of the declared refund

COVERAGES: Subject to the Rules and Regulations of the Mutual, all rates quoted above are inclusive of -

* **Hull & Machinery** coverage carrying a deductible of 1/4 of 1% of the insured value (minimum deductible \$500), except a 5% (of vessel's insured value) deductible will be applied to the Hull Policy for damage/loss caused by earthquake, fire/explosion-following, tsunami; and/or as circulated; and/or as specified in any particular policy.

* **\$5,000,000 Protection & Indemnity (3rd Party Liability)** coverage carrying a deductible of \$ 5,000 per claim.

* **No Refund Due to Claim:** no Patronage Refund will be returned on a policy having a claim for:

50%, or more, of the insured value, Total Loss or Constructive Total Loss

OPTIONAL COVERAGES AVAILABLE: We can also provide the following optional coverages:

Cargo Insurance:

This is Partial or Total Loss coverage to a Limit of \$300,000 for loss caused by a marine accident. Cargo must be owned and produced by you. **There is no coverage for Packers or Herring**. Coverage must be arranged **prior** to the fishing season or otherwise agreed by our office, providing coverage is taken out **prior** to the insurable cargo being taken aboard. The premium is flat – not available for refund.

Rate Category: 0.3% No refunds paid, Minimum Premium: \$250, Deductible: \$500 per loss **NET COST: 0.3%**

Ancillary Vessel Insurance:

This provides year-round coverage for **Total Loss only** of an ancillary vessel used with a mother vessel owned by the same owner and insured with the Mutual. Examples include dive skiffs, herring punts, fish packing barges, etc. Subject to the Rules and Regulations of the Mutual, coverage includes **Collision Liability** subject to a deductible, and **Protection & Indemnity** as described above.

Deductible: 5% of the insured value for Collision Liability, Total Loss caused by Earthquake, Fire/Explosion-following earthquake, Tsunami; and/or as circulated by the Mutual.

Rate Category: 2% Received a 25% refund for 2020. **NET COST: 1.50%**

Power Skiff Insurance: Total Loss Only, refund retained for 5 years.

Deductible: 5% of the insured value for Collision Liability, Total Loss caused by earthquake, Fire/Explosion-following earthquake, Tsunami; and/or as circulated by the Mutual.

Rate Category: 2% Received a 75% refund for 2020. **NET COST: 0.5%**