

Pollution Liability: The Spill is Just the Beginning



By Chris Richmond for [WorkBoat Magazine](#)

All commercial hull policies have a pollution exclusion clause attached to them. Sometimes you can get a pollution buy back endorsement added for a small amount of additional premiums, but this will essentially just cover the cleanup of a spill. While this is a good start it is not the ideal solution for a potential spill. In today's world, the cleanup costs can just be the start of the expense you will incur.

Pollution policy premium is based on the vessels gross tonnage and type of vessel. These policies offer coverage for eight different sections:

- A: The Discharge of the pollutant
- B: Investigation & Defense
- C: Fines & Penalties
- D: Additional Public Relations
- E: Automatic Acquisition
- F: Mitigation
- G: Property Damage Ashore
- H: U.S. Criminal Defense

While not all of these may apply to your circumstances, there are some important distinctions to remember.

Section A covers not only spills related to the Oil Pollution Act of 1990 but also to claims brought under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). Remember, pollution is not only petroleum but can also include other hazardous materials that are stored or transported on your vessel. You can have just as much a problem with a chemical spill as an oil spill.

After the spill is contained and cleaned up, who is going to pay your defense costs? Section B addresses this area. As you are well aware, this is a part of liability policies that come in key as potential litigation claims can drag on and defense costs mount. Whether you are found liable or not your defense costs can add up. Having these covered in a policy is particularly important.

And what if your spill was a total accident? Is that going to stop any fines or penalties imposed upon you by state or federal authorities? Don't count on it. Section C provides coverage here for fines that may be imposed against you.

The only thing worse than the actual spill is the image on the television of oil coated birds on the beach. Allowing the public to know that you are doing your best to take care of the situation can go a long way with public relations. Section D of the pollution policy will help you there.

Should your vessel be out of commission and you require a short-term charter to continue operations you can have pollution coverage on these under Section E.

Actions taken by you after the spill has occurred to help mitigate further damage due to the spill or to property ashore

is provided to you under section F.

Third party liability claims against you due to damage done to property ashore due to the spill is afforded to you under section G, Property Damage Ashore.

And finally, Section H provides U.S. criminal defense costs that you may incur due to federal and state laws that have been violated due to the discharge of a pollutant.

While you may never have to use your pollution policy, the coverage that it provides for that one time will pay off in the long run. It is an important part of your vessel's coverage and in some instances, it is required by the Coast Guard's Certificate of Financial Responsibility (COFR) program. Have a talk with your insurance agent to find out more.

How AI Is Reshaping Commercial & Marine Insurance – And What It Means for You



Dan Bookham

By Dan Bookham

For [WorkBoat Magazine](#)

You can't escape the flood of articles on Artificial Intelligence (AI) and its impact across industries – so here's my contribution. All kidding aside, AI is poised to transform commercial and marine insurance in profound ways, from underwriting and claims to customer service and risk management. For insurance buyers, understanding these changes is key to securing the best coverage and navigating the evolving landscape.

AI enables insurers to analyze massive datasets – claims history, sensor data, weather patterns, and even vessel inspection reports – to deliver more accurate and granular risk assessments. This leads to tailored, dynamic pricing that can benefit well-managed operations with lower exposure to adverse conditions.

On the claims front, AI is streamlining claims by automating key steps, from first notice of loss to damage assessment using image and video analysis. It also enhances fraud detection and speeds up settlements. In marine insurance, AI can analyze onboard CCTV footage in near real-time to determine causes of incidents and even predict risks like equipment failure or hazardous routes using sensor and weather data.

There's also a huge operational efficiency play for insurers. Insurers are increasingly using AI for customer service – think chatbots and virtual assistants – as well as for fraud detection and automating repetitive tasks. This frees up human staff to focus on strategic work and improves overall efficiency.

All of this has pros and cons for you, the insurance buyer.

However, the best way to take advantage of this massive industry-wide investment by insurers comes from being prepared to embrace change vs. taking a reactive (or reactionary) stance on what will be an inevitable revolution in the use of technology by your insurance company and- often- your broker.

But what does that mean for insurance buyers in practice? Simply, to benefit from AI-driven insurance, you'll need to take a proactive approach.

Firstly, don't be afraid to ask questions. If your premiums or coverage terms change, ask how AI influenced the decision. Understanding the factors behind AI-driven assessments is crucial. Alongside this, understand AI usage. When shopping for insurance, ask how the insurer or broker uses AI. This can reveal potential benefits like faster service or tailored pricing, but also areas to watch regarding data usage and privacy.

Regardless of technological changes, run a tight ship or a well-kept yard. AI's ability to analyze risk in detail may lead to more precise pricing. Businesses with strong risk management and good data may benefit from competitive premiums, while those with higher risks may face tougher terms.

Above all, know your data. Understand what data your business collects (e.g., telematics, sensor data, operational metrics), ensure its quality, and be ready to share it with insurers. Provide context to highlight your strengths as a risk. At the same time, protect your data! As more data is shared and analyzed, ensure your business has strong data security and privacy measures. Make sure your insurer's data handling policies align with your standards and regulatory requirements.

Finally, as always, seek expert advice. Allen Insurance and Financial – and other leading agencies – are closely tracking

how these technologies are being deployed and what they mean for insurance customers. Working with knowledgeable brokers who understand AI's role in the market can help you navigate changes, interpret new policy terms, and advocate for your best interests.

EPLI: Essential Protection for Today's Workplace



By Chris Richmond

For [WorkBoat Magazine](#)

As a business owner your employees are an important part of your operation. Depending on their job description, your employees are covered under your workers compensation, USL&H or Jones Act policy. But what protects you as the employer when one of your employees makes a claim against you? Unless you have Employment Practices Liability Insurance (EPLI), you may be left with no coverage.

EPLI is used to cover claims made against an employer by an employee for discrimination, wrongful termination, sexual harassment or retaliation. While these are the most common types of claims, other claims could include failure to promote, invasion of privacy, defamation or negligent evaluation. One of the more important parts of this type of coverage is defense costs, which, as you can imagine, can mount quickly. Unfortunately, most EPLI policies have defense costs within the limits. In other words, your defense can eat up a good part of your total liability limits before any judgement is awarded. Because of this, you should look at higher limits; often the premium is not a huge jump to add an additional \$1 million of coverage.

Those covered under an EPLI policy are your employees, management and your directors and officers. An endorsement can be added to the policy to also include third party coverage. This provides coverage for claims made against you by non-employees.

One area that employers need to keep in mind is the potential for claims against accessibility to their websites. Your EPLI policy could have some coverage here but only if you have third party coverage. This provides coverage for potential claims made under the Americans with Disabilities Act.

EPLI can often be attached to a workers compensation policy, a directors and officers policy or written as a stand alone. Limits can vary so be sure to compare coverages. Whichever way you get it written, EPLI is an important part of your risk management and one that can prove to be very useful in our ever-growing litigious society. If your agent has not brought this up, be sure to give them a call and ask them for a quote.

Why Loss Control is Your Friend



By [Chris Richmond](#)

For [WorkBoat Magazine](#)

Recently, a local shipyard we work with was visited by the loss control manager from the insurance company that writes their USL&H coverage. This was a good visit all around. Although the yard and the insurance company have had a longstanding relationship, recent losses required the insurer to make several large payouts, resulting in a premium increase for the shipyard. This is not good all around.

USL&H premiums are based on payroll and the types of work employees perform. The larger the workforce, the more a company pays. Then, loss experience is factored in. The more claims you have, the higher your premium will be. It's easy to forget about past claims – until you experience a serious case of sticker shock when the premium notice arrives.

For many years, the mindset at many yards has been to “get the job done”– a phrase often seen as a mark of strong work ethic. But it's just as important to include the word “safely.” And the expense of a claim does not stop at medical bills. The indirect

costs a yard incurs from a claim due to work stoppage, extra paperwork, corrective actions, lost time worked by injured, etc., can add up to an additional 66% of unseen costs to your business.

At our local shipyard, the loss control manager presented a spreadsheet covering five years of claims. It detailed the injured body part, the job being performed, and the cost associated with each incident. A subsequent tour of the yard found spots for the safety director to focus on to help prevent future accidents. Suggested changes were made and a follow-up visit in four months was scheduled.

The insurance company's loss control manager recognized this long-term relationship and provided valuable (and free) guidance to our insured to help reduce injuries at the workplace. The hope is that a safer work environment will lead to fewer accidents, fewer claims, and ultimately, lower USL&H premiums. The money saved can be invested elsewhere. Clearly a win all around.

Passenger Protection Starts on Shore: Why Terms and Conditions Matter



By [Chris Richmond](#)
For [WorkBoat Magazine](#)

Passenger vessel operators have many options for risk management. While much of this focuses on board the vessel, one often overlooked area is before passengers even board. By adding terms and conditions to your ticket sales, you can add another layer of protection.

Including terms at the time of purchase can help:

- Limit liability for risks, including passenger injury
- Control time limits and specify legal jurisdiction to manage litigation
- Clarify refund policies for cancellations or delays, including force majeure clauses

Passenger injury. You may not be able to have all liability waived, and you will still need to comply with maritime law, but by informing your passengers that by purchasing a passage ticket they accept and understand that travel at sea can be potentially dangerous.

Time limits and specifying legal jurisdiction. Being able to manage potential litigation can minimize legal expenses as well as the inconvenience of fighting a lawsuit long distance. You will be thankful you have established this should a passenger who cruised with you in Boothbay, Maine file a claim in their hometown court in Houston, Texas.

Refund policy. You can control many things on your boat but you cannot control the weather. Include a force majeure clause detailing situations where you are not liable for cancellations due to events outside of your control which result in delay or cancellation.

It goes without saying that you should consult a professional when preparing this language. An admiralty attorney would be able to draft this document to suit the type of trip that you are doing and to make sure that you are abiding by the state and federal laws applicable for your location.

Risk management comes in many different forms. Proper terms and conditions on your boarding pass can be just as important as the life jackets that you keep on board.

Tariffs and Economic Uncertainty: What They Could Mean for Insurance in 2025



By [Dan Bookham](#) for [WorkBoat Magazine](#)

Throughout the year insurance companies meet with their agents and brokers to keep tabs on the shape of the market. Across the

board and across all product lines, the most frequently flagged concerns are the potential impact of tariffs and ongoing economic uncertainty on the U.S. insurance market in 2025. Savvy insureds should be factoring this into their buying decisions.

Tariffs on imported goods, such as automobiles, auto parts, building materials (lumber, steel, etc.), and electronics, have already directly inflated the cost of repairs and replacements covered by insurance policies. This will in turn mean higher premiums as insurers will likely pass these increased claims costs onto policyholders to maintain their solvency and profitability.

Supply chain disruptions could also be a factor as the tariffs find their final level and different economic inputs begin to price for the new cost of materials. As we saw during the pandemic, such disruption can cause delays in repairs and increase the duration of claims. This can further drive up administrative costs for insurers and cause frustration for policyholders.

Industries heavily reliant on imported materials will see increased operating costs, potentially leading to higher commercial insurance premiums, not least as the replacement value of inventory, parts, fuel and other overhead will mean a need for higher exposures and policy limits.

While the tariff negotiations and adjustments appear to be ongoing, the insurance industry will continue to feel the impact of economic uncertainty such unprecedented change has brought about. Should we find ourselves in a downturn or recession, there are several things to consider on the insurance front.

During economic downturns, businesses and individuals might reduce their insurance coverage limits, opt for higher deductibles, or even cancel policies to save costs, leading to a

decrease in premium income for insurers. Economic uncertainty can also increase the risk of businesses defaulting, impacting commercial insurance lines like trade credit insurance.

Investment income volatility also has a direct bearing on insurance premiums. Insurers rely on investment income. Volatile financial markets can negatively impact their investment returns, potentially pressuring underwriting profitability and leading to higher premiums. Seemingly paradoxically, insurers might adopt more conservative underwriting practices during uncertain economic times, despite the need to generate more revenue, tightening eligibility guidelines and increasing scrutiny. This is because the quickest way to not lose money on exploding claims costs is to not write the business in the first place. A crude lever to be sure, but one that does get pulled.

Economic hardship can exacerbate social inflation (increased litigation and higher jury awards), particularly in liability lines, driving up claims costs for insurers. This has been an ongoing trend for several years already; we will have to see if economic conditions accelerate this even more.

In summary, the combination of tariffs and economic uncertainty in 2025 is likely to create a challenging environment for the U.S. insurance market. Policyholders can expect to see upward pressure on premiums across various lines of business. The ability of insurers and policyholders to proactively manage risks and adapt to these evolving conditions will be crucial in mitigating the negative impacts.

The Crucial Role of Hiring and Onboarding in Safety



Dan Bookham

By Dan Bookham for [WorkBoat Magazine](#)

Hiring and onboarding play a pivotal role in establishing a strong safety culture within an organization. By carefully selecting and training new employees, businesses can significantly reduce the risk of accidents, injuries and fatalities.

While the process can seem daunting for small businesses and rote and impersonal at larger entities (and HR work can feel like a potential minefield unless a you are specialist in that area), a well thought out approach to hiring, screening, onboarding and sharing culture can pay dividends specifically in the areas of safety and the reduction of workplace injuries and more generally enterprise-wide.

The first step is to know what you are looking for in a candidate from a safety perspective. Although labor markets continue to be tight, resist the temptation to lower your standards as that marginal candidate might be the one who blows up your workers compensation or P&I experience, or who puts that

work truck into the school bus.

A thorough background check is a vital component of the hiring process, especially in industries where safety is paramount. Background checks allow you to uncover criminal records, substance abuse issues or other red flags that may pose a threat to workplace safety. This in turn mitigates the risk of workplace violence, theft or other harmful behaviors and can ensure that new hires align with the organization's values and commitment to safety.

Obviously, you should adhere to industry-specific regulations and local laws regarding background checks – especially around access and confidentiality. There are firms that specialize in running legally compliant checks for you, so this might be a task to consider outsourcing.

Candidate criteria is the next element. Look for safety-minded individuals and prioritize candidates who demonstrate a strong commitment to safety. Given that your company is unique, ensure that potential new hires align with the organization's safety values and culture and of course verify that candidates possess the necessary skills and experience to perform their tasks safely.

Once the job offer has been made and accepted, an effective and engaging onboarding process allows you to drive home your safety culture. A comprehensive safety orientation will introduce new employees to the company's safety policies, procedures and emergency plans.

Job-specific safety training, tailored training for each role and emphasizing potential hazards and safety precautions, coupled with practical, hands-on training to reinforce safety knowledge and skills, can cement the elements that keep new hires safe from the get-go. Mentorship and buddy systems where

you pair new hires with experienced employees to guide them through safety protocols also helps teach the greenhorn that safety is core to “the way things are done around here.” Finally, regular check-ins by supervisors allow for assessment of the new hire’s understanding of safety and allows them to address any concerns either they or the employee may have.

Not only does building safety considerations into your hiring and onboarding process make for fewer workplace injuries and less impact on your insurance, it also demonstrates to rookies and veterans alike that leadership walks the walk when it comes to ensuring the whole team can enjoy a safe workplace.

Safety at Work: An Emotional Issue



By [Dan Bookham](#)

For [WorkBoat Magazine](#)

Workplace safety is not merely a physical concern but also a complex emotional issue with far-reaching consequences for

individuals, teams, and organizations. A comprehensive approach to workplace safety must address emotional factors, otherwise it is doomed to fail. A hearts-and-minds approach to keeping your people safe is always going to pay more dividends than folks dutifully checking boxes without investment in the philosophy behind your safety culture.

Should this all seem a bit too touchy-feely, consider the following. Safety at work is undeniably an emotional issue because the very human drivers of connection and fear underpin the decisions we make every day that could potentially imperil life and limb.

On the individual level, this translates to a basic fear of loss. The fear of injury, illness or even death is inherent to human nature. This fear can be paralyzing or motivating, depending on how it is managed. We also worry about teammates, as employees often form strong bonds with coworkers, creating a sense of family and community. The safety of colleagues becomes a deeply personal matter, driven by love and care. More than anything else, the instinct to protect oneself is primal. When safety is compromised, it triggers strong emotional responses related to survival and well-being which can set off a chain reaction of events that can amplify risks as much as lessen them.

Unsafe work environments can lead to chronic stress and anxiety, affecting employees' mental health and overall quality of life, and the experience of trauma – for both an injured individual and their colleagues who were present – can have lasting impacts and cause employees to lose trust in their employer and feel a diminished sense of control over their work environment. This in turn can lead to a doom loop of anger and frustration which fuel reckless behavior, increased risk-taking, and reduced attention to safety protocols.

While negative emotions can spread rapidly through a workplace, creating a climate of fear and distrust which can hinder safety efforts, positive emotions are even more contagious and can boost morale, increase engagement, and promote a proactive approach to safety. When a team feels it in their bones a supportive and collaborative safety culture meets their emotional needs in the workplace, we see improved communication, conflict resolution and decision-making, all of which are powerful force-multipliers when it comes to reducing harm.

Emotions are a powerful force that can either enhance or hinder workplace safety. By understanding the impact of emotions, organizations can develop strategies to create a positive and safe work environment. Exploring and developing specific strategies that help you understand, manage and mitigate the impact of emotion on safety culture in partnership with your workers comp, USLH and P&I insurers is a smart way to benefit from the premium dollars you pay for your policies.

**Society of Certified Insurance
Counselors Honors Martha
Wentworth for 20 Years of
Dedicated Leadership and
Professional Development**



[Martha Wentworth](#), CIC, CRM, CPRM, was recently recognized for professional leadership and advanced knowledge by the Society of Certified Insurance Counselors.

Martha was awarded a certificate of achievement recognizing 20 consecutive years of successfully maintaining the Certified Insurance Counselor (CIC) designation. The CIC designation requires an annual continuing education update ensuring that her education is always up-to-date and relevant.

Martha is a business insurance producer who serves clients across Maine from the Allen's Waterville office.

In addition to her CIC designations, Wentworth maintains the Certified risk Manager (CRM) and Certified Personal Risk Manager (CPRM) designations. She recently celebrated her 25th work anniversary with the company.

“The CIC program’s unwavering dedication to fostering professional excellence has set a high standard in our industry,” said Dan Bookham, senior vice president for business development at Allen. “Martha’s consistent pursuit of growth and development is truly inspiring, serving as a model for her colleagues within our company and across the Maine insurance community.”

ABOUT THE CIC PROGRAM: The CIC Program is nationally recognized

as the premier continuing education program for insurance professionals, with programs offered in all 50 states and Puerto Rico. Headquartered in Austin, Texas, the Society of CIC is a not-for-profit organization and the founding program of The National Alliance for Insurance Education & Research.

Review Insurance Clauses Before Signing



By Chris Richmond

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We are often asked by our insureds to review the insurance clause in contracts they are asked to sign. All too often, unfortunately, the contracts have already been signed before we have a chance to review them. These contracts are often prepared by legal teams or pulled from the Internet. While it is important to have the legalities in a contract correct, it is equally as important to have the insurance aspects correct –and that is why a conversation with your agent is important before you sign on the dotted line.

A contract, when properly drawn and signed, can become an

enforceable document. But for insurance purposes, just because you have signed the document does not mean that your insurance policy will react to it. Your insurance policy is also a legal contract, and the insurance company is only going to respond to the limits and conditions written out in your policy. It is important to make sure that the limits and conditions that you are insured for will meet the requirements in the contract you are signing.

In addition to limits there are often other stipulations that need verification with your agent before signing. Waiver of Subrogation and hold harmless clauses are often inserted. While these can be very beneficial to the party making the request these types of requirements need to be approved by your insurance company beforehand. Contracts often include the words "any and all" when referring to risks covered. Your insurance policy most likely will not react to "any and all" claims made against it. Again, have these clauses reviewed beforehand.

If your contract only involves a vessel then any General Liability and Workers Compensation limits that are required will most likely not apply. Your hull and protection & indemnity policies will react to claims made against the boat. Getting the party who is requesting these limits to understand this can often be futile. This is when you should get your insurance agent involved to help sort out the wording and coverage issues.

Contracts are required for many reasons. A boiler plate contract most likely will not fit your unique situation. Contracts are also negotiable. It is wise to involve your insurance agent in this process before signing any contract.