

Salvage 101 versus Towing: An introduction

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An introduction. The main reason for confusion about towing and salvage, concerns the degree of danger to a vessel and its cargo.

An Example Of Towing Vs. Salvage

If you had an engine problem with your 18 foot runabout or ran out of gas on a calm day, in open waters, away from heavily traveled shipping channels, with seas of less than three feet, your getting help from a marine service/towing firm would be just simply towing. And the cost for their help would cost about \$200-\$250 an hour for their time. But if you had engine problems or ran out of gas in the middle of a gale or hurricane, then the same service call or towing would be called salvage. The cost would be substantially more. The higher the peril or degree of risk to your boat and to the marine service or towing firm, the higher the cost.

More Salvage Examples

Hard groundings (running aground on rocks and boulders at low tide, near a major shipping channel with huge wakes and big waves); sinkings; collisions; break-aways from moorings, buoys or docks; fires aboard and vessels that are in close proximity to a fire source as well as vessels which are stranded in the surf line. Other situations which may sometimes be considered high peril are problems during poor weather conditions, and the potential fines for damage to a fragile marine environment (for instance to a coral reef -- or in our New England area, for damage to a fragile marine estuary area).

Bigger, more expensive boats would be charged more for their salvage. A salvage assist for an \$8K boat would be substantially less than a salvage assist for a \$250K boat.

The two most commonly occurring examples of salvage -- where training, experience and having proper equipment is necessary -- are:

- **Recovering a boat that is grounded** on the rocks, with the problems of an outgoing tide and then an incoming tide with the serious chance of much greater damage produced from the wakes and waves of boats passing nearby.
- **A boat sunk at the docks.** There is the chance of the boat pulling down (sinking) the floating dock that it is tied to and thus damaging other boats and the problem of leaking fuel causing serious contamination problems in the area.
- **There Are Two Types Of Insurance Policies:**
- **A simple towing/service policy,** good for low risk situations for your boat and for the marine towing firm. SeaTow and TowBoat US are now the major companies in this business. A rider for

your home insurance or from your auto insurance company or a plan from a boating insurance company generally would also cover a service like this. The question would be how much of an expense these plans would cover. These types of plans and this type of coverage would be ok for those of us with smaller boats.

- **A marine insurance policy**, with adequate coverage. This would be a better choice for assistance under more extreme conditions (for performing salvage tasks). This type of policy is what is needed for larger, more expensive boats. Be sure that the policy specifically covers salvage.

Other Considerations

- Be sure to know which towing or salvage firms are better qualified with proper training and equipment. For most of us SeaTow and TowBoat US would be a good seat-of-the-pants choice.
- The higher cost of salvage is balanced against the prevention of even more damage or the total loss of the boat. If the paperwork is done correctly by the salvor, insurance companies are happy to pay a good chunk of change, initially, in order to prevent a much greater loss. It costs them less to do this.
- Typically, insurance policies severely limit the amount of reimbursement they will provide for towing assistance. Therefore, membership in a marine towing association is a good idea to limit out of pocket costs in low risk situations. Additionally, for larger boats, one should consider having a marine insurance policy that would cover salvage.
- How can you protect yourself against high salvage bills? The very best protection is adequate hull insurance. Talk to your marine insurance agent to be sure your policy provides for salvage up to the full value of the boat, not just a percentage of its value, and that there is no deductible for salvage costs.