

# *Willard Says.....*

## INSURANCE—ARE YOU COVERED?

Recently, I learned that some insurance companies, fed up with numerous claims for damages resulting from dredge sinkings, have devised a test to separate accidental losses from preventable losses.

**Accidental losses**, those claims that would be allowed and payment made to compensate for losses due to sinking would include:

- Unintentional acts by employees.
- Acts of God unless aggravated by owner negligence (see below).
- Sabotage not instigated by the policyholder.

**Preventable claims**, those asking payment for damages due to dredge sinkings determined to be due to owner negligence are likely to be disallowed. Payment will be refused. Circumstances that could lead to a finding of owner negligence include:

- Any dredge that sinks because floodable (open topped) space filled with water.
- Any of a class of dredges identified as being susceptible to Front Wall Failure (FWF). See *Willard Says...Front Wall Failure*. (These dredges utilize a hydraulic cylinder attached to a structurally inadequate front hull wall to hoist the ladder.)
- Dredges that sink due to corrosion or structural damage that could have been detected by periodic inspections.
- Dredges that were leaking excessively with full knowledge of the owner.
- Dredges with inoperative or disabled alarm systems meant to foretell sinking or capsizing.
- Failure to train dredge operating personnel in how to guard against sinking.

Insurance is a very competitive business. While not all companies have resorted to restricting their exposure to claims for damage due to a sunken dredge, it is likely that many others will soon adopt these measures.

Evidently insurance companies are weary of insuring against the occurrence of foretold events. Perhaps they have become aware that Thomas J. Wetta III, a dredge builder of international repute, is quoted as saying, "Two Types of Dredges—Ones that have sunk, The ones getting ready to sink."

Check your coverage. Your "sinker" may go down along with your pocketbook.

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