Be the Best Surveyor in Your Market

A marine survey is a useful tool for buyers when negotiating price based on what repairs or upgrades the boat needs. Insurance and lending companies that need to know the true condition and fair market value of a vessel often require it. Insurance company underwriters carefully read through a marine survey to make a determination as to whether the vessel is a good risk, and may require an owner to address certain deficiencies. These simple tests can make you the surveyor "to call" in your area.

The Basics

Not all surveys are the same, but they generally begin by describing the boat accurately and with detail. This part of the survey lists the year, make, model, hull identification number (HIN), and the basic specs of the boat, such as length, beam, and weight. It should also explain the scope of the survey, which describes the limitations and PURPOSE. For example, it may say that hard-to-access areas were not inspected, that electronics were only powered up and not tested, or that engines were not part of the survey. From there, the survey goes into overall documentation. It will document the condition of structural components, such as hull and deck, running gear, bulkheads, and engine beds. Things like the fuel, plumbing, and electrical systems are inspected and discussed with respect to relevant standards; living spaces are inspected; and safety items are noted, such as the existence — or the lack — of carbon-monoxide alarms and fire extinguishers. A good survey is more than just an inventory of the boat's equipment. The surveyor will comment on each section of the inspected boat. Finally, near the end of the survey are the recommendations, arguably the most important part**. Recommendations should always focus on SAFETY first.**

Recommendations are just that — issues the surveyor found on the boat that may need to be addressed. It's the "may" part that's important here. Typically, a surveyor will list recommendations in order of importance, often as A, B, or C. A-list recommendations (more properly called must-dos) are the most important ones to pay attention to, and you can be sure your insurance company will — not just for a boat, but for the safety of captain and crew. These are SAFETY issues that, unaddressed, can cause a boat to sink, burn, become involved in an accident, or cause serious injury.

Priority Examples:

- Worn or damaged below-waterline hoses, seacocks, and thru-hull fittings that pose a sinking hazard
- AC or DC wiring deficiencies that could cause a fire
- Lack of or nonfunctioning USCG-required equipment, such as fire extinguishers, flares, or navigation lights
- Propane system deficiencies that could cause an explosion
- A vessel with too much horsepower that could make it unstable
- Lack of operable carbon-monoxide alarms
- Unsecured batteries or fuel tanks that could break loose and damage the hull, or cause a fire

- Missing oil-spill and waste-management placards. These are required by law and will be checked during a USCG inspection. Your client can pay for these or you can buy them and offer them as part of your survey for future and recommended business. You can also get many placards free at boat shows.
- **Recommendations: Whatever you put in writing will be read, re read re used. Be careful. Many eyes may see what you have written included eyes that were not meant to see your survey. Outline and write your purpose clearly. The survey belongs only to the person who paid for it.**

Tend to include either (1) items that are not an immediate risk but will pose an unacceptable hazard if left uncorrected for too long; or (2) things that may enhance the safety, value, and enjoyment of the boat. Some of these may cross over into A-list recommendations as far as underwriters are concerned, and may also need to be addressed before the boat can be insured:

- Hoses and wires that are chafing or not installed to ABYC standards
- Worn cutlass or rudder bearings
- Stiff or corroded steering or control cables
- Engine maintenance needed to forestall a larger problem
- Cleats or stanchions that need to be re-bedded to prevent deck-core rot
- Heavy corrosion on fuel or water tanks

Generally normal upkeep items that should be addressed.

- Water leaks through ports or hatches
- Anodes in need of replacement
- Loose or worn engine belts, hoses, and engine mounts
- Cosmetic issues
- Winches in need of service

Keep in mind that surveyors inspect a boat with eyes toward industry safety standard. Surveyors also recognize that newer standards were not in place when older boats were built. But some of those standards, like the need for carbon monoxide alarms or proper wiring, are critical enough that insurance underwriters may still require boats to comply with them.

All of the surveyor’s recommendations can be used as negotiation points for buyers. Be objective and ethical. Any purchase contract should specify that a sale may be voided if the survey results are unacceptable to the buyer. In some cases, a seller may choose to do the required repairs before a sale, but make sure the boat is reinspected before the sale is finalized. Typically, surveyors will reinspect specific items for a fee, once the sale is made, and sign off that they have been properly done. If, after the sale, the buyer choses to make the repairs, insurance coverage can begin immediately, while the repairs are in progress. But, either way, the insurance company will usually require a written statement from the owner, or yard bills, to confirm the recommendations have been completed.
Have a good warranty, guarantee or non-guarantee clause. Be very specific on scope and purpose and future or unintended use. See samples in our courses and from fellow surveyors.

Offer a Better Survey than Your Competition—Think Ahead for potential problems between you and clients down the road. Protect yourself and your report.

1. Look at old surveys but don't rely on an old survey that may not give a current representation of the boat. Insurance underwriters will normally not accept a survey older than six months.
2. The buyer determines if the boat is acceptable or not, and the insurance company will list what must be done in order to provide coverage so your survey must be thorough to avoid future problems between you and the client.
3. Even a brand-new boat will almost certainly have some recommendations from the surveyor, though most of them should be addressable through the builder's warranty.
4. Surveys include an approximate current fair-market value for use by lenders and insurance companies. This can serve as a price negotiation tool.
5. A survey is a useful guide for planning upgrades and repairs and allows boat buyers and owners to prioritize.

More…

During a pre-purchase inspection, the marine surveyor will evaluate the boat's systems and structure in and out of the water, looking for problems that could require expensive repairs, or that make the boat unseaworthy. The surveyor spends time below-decks, inspecting the engine installation, seacocks, fuel lines, electrical wiring, and plumbing systems, and the hull's interior for structural defects. The surveyor may not be able to detect problems hidden by the boat's permanent structures, like bulkheads or liners. Above decks the surveyor will examine the hull, deck fittings, helm station, navigation lights, life rails and pulpit, and other crucial structures. Using nondestructive testing, he'll check for signs of blistering, gelcoat cracking, stress cracks in the fiberglass, and dry rot.

The surveyor will inventory all equipment being sold with the boat that enhances its value. He or she checks for safety equipment and list any U.S. Coast Guard required equipment that may be missing.

It's important to have the rigging inspected. A visual check from the deck may not be enough to detect worn or frayed fittings and cable.

At sea trial, engine operation is checked for RPM, temperature, and alternator output, and for any apparent signs of cooling, lubricating oil, or fuel-oil leaks." Surveyors generally rely on manufacturer-installed instruments to provide this information. Recommend technicians or diesel mechanics if further testing is needed or desired.

If a trailer is included, ascertain that it's accurately rated for the size and weight of the boat.

We wish you good business.