

Towing vs. Salvage: What Boaters Should Know

The Advantage of BoatUS Membership

ALEXANDRIA, Va., May 12, 2014 – On the water breakdowns, running aground or other mishaps can ruin a day of boating or fishing. But when a boat offering assistance arrives on the scene, how do you know if the service is a “tow” or a “salvage” job? If you’re ever in doubt, ask the boat’s captain. That’s because there could be a big difference in the cost of each service and who will pay the bill, says Boat Owners Association of The United States (BoatUS).

While there is sometimes a fine line between the towing and salvage, there are a few clear indicators that point to each. With salvage, it is the existence of “peril.” Historically and legally, salvage is any voluntary and successful rescue of a boat and/or its cargo from a peril at sea. Today that definition also includes avoiding or reducing damage to a marine environment.

Providing voluntary and successful service to vessels hard aground, on rocks, taking on water or sunk is generally considered salvage, as are rescues necessitated by collisions, fires, breakaways or other types of immediate peril. Salvage may also come into play when specialized equipment such as pumps, air bags, or divers are called for – even if the boat is at the dock.

On the other hand, when there is very little or no peril or damage to a vessel - you have a towing situation, which is far more common. Technically, this service is still salvage but of a “low order,” meaning minimal peril. A typical example is when you run out of gas or have a dead battery, and have subsequently dropped anchor to await assistance. Waters are calm, you’re no threat to navigation, and your crew and boat are fine. Ninety-nine percent of the 70,000 requests to BoatUS 24-Hour Dispatch Centers for on the water assistance last year were for routine towing services.

BoatUS members benefit from a special agreement with the TowBoatUS and Vessel Assist on the water towing fleets that treat some low order salvage situations as towing services. For example, if a boat is soft aground, this agreement ensures that if there is little peril, no damage to the member’s disabled boat, and no special equipment such as pumps are needed it’s a simple towing job. BoatUS cautions this service is still technically salvage and that other commercial towing companies may not honor this agreement.

All TowBoatUS and Vessel Assist companies are committed to informing the owner or operator of a disabled boat – before beginning any work – if the services they are offering are towing or salvage. If the owner/operator is not on board or the conditions are so perilous and the rescue of the boat requires immediate action, they will be notified as soon as possible after saving the boat.

Nationwide, towing and soft ungrounding costs average about \$600 and \$800, respectively. These are either paid by an annual towing service plan or out-of-pocket by the boater.

Salvage services are generally covered by insurance or out-of-pocket if self-insured and are much more expensive than a tow. Salvage awards are the legal system’s way to award a rescuer who risks their boat and themselves to save a boat in peril. Salvage charges can be calculated based on the length of the vessel saved or a request for a percentage of the boat’s post-casualty value. While it’s a reward for successful and voluntary service, the dollar amount awarded factors in, among other things, the degree of peril as well as the risk to the salvor and their crew.

There are significant expenses in operating and maintaining a professional towing operation such as captain’s and staff salaries, insurance, equipment maintenance and increasing fuel costs, not to mention capital expenses such as towboats and other specialized recovery equipment – and it must be available at a moment’s notice.

Time and circumstances permitting, if your on the water assistance provider says it will be a salvage job, boaters should try to call their insurance company so they may attempt to negotiate with the salvor before the operation gets underway. If circumstances don't allow this, ask the salvor for a fixed price and try to get it in writing.

Boaters should review their boat's insurance policy to ensure it fully covers salvage. Some policies have limits, high deductibles, or may not include environmental damage – all of which would have to be paid out of pocket.

BoatUS also suggests having a copy of the BoatUS Open Form Yacht Salvage Contract aboard, which assures that any salvage claim will go to local binding arbitration if negotiations between your insurance company and salvor fails. Designed to be more understandable, relevant to US laws and potentially money saving for all parties, the BoatUS Open Form Contract is available free of charge at BoatUS.com/salvage.

For more information on towing and salvage, go to: BoatUS.com/salvage.

###