

## An Overview of Vessel Title Insurance

Reported by: Donald V. Gale

### Panelists:

John Casbon – First American Transportation Title Insurance

John Casbon, Regional Vice President of First American Transportation Title Insurance Company, summarized the purpose and advantages of title insurance to yacht buyers and financial lenders. While prevalent in real estate, title insurance has become available and popular for high value property such as yachts and aircraft. Issues related to vessel mortgage priority, movable property, multiple registration venues, hidden liens and gap coverage between closing and transaction recordation are addressed according to the unique needs of the yacht market. Successful avoidance of risks due to non-disclosures, errors and disputes in these areas previously depended on defensively cautious legal opinions and due diligence by buyers and lenders via such actions as Coast Guard record reviews. As with real estate, the title insurance company represents the policy holder in the event of a title challenge, covering court costs as well as claims up to the policy value if the suit is lost. Coverage cost, assessed as a one-time premium, is typically around US\$3 per \$1000 of vessel value covered. In addition to yachts, Mr. Casbon's business provides coverage for commercial vessels such as tankers as well as for aircraft.