

SEAFA MEMBERSHIP

All SEAFAR members are required to be members of SEAFA each year insurance is bound. General membership dues are \$200 plus \$25 for each of the four fishery Divisions (salmon, crab, shrimp and longline) for which a member holds a permit. Membership dues go directly to the SEAFA Office.

SEAFA is a non-profit Alaska corporation governed by a 12 member Board of Directors.

SEAFA seeks to preserve, promote, protect and perpetuate the Southeast Alaska commercial fishing industry while promoting legislation, resource conservation, and at sea safety practices for the general welfare and benefit of the membership.

FINANCIAL STATUS & STOP-LOSS INSURANCE

SEAFAR is a non-stock association and is wholly owned by its members. SEAFAR is subject to Section 526 of the Internal Revenue Code and operates under the Revised Code of Washington, Title 48.01.50. To preserve member surplus, SEAFAR purchases a stop-loss policy to pay claims in the event the amount of claims in a policy year exceeds a certain amount

APPLICATION PROCESS

The SEAFAR insurance committee reviews applications as they are received throughout the year. We try to process applications within a week of receipt but can sometimes take longer. Applications accepted mid year are pro-rated to Jan 1st, when all policies are renewed for the year. We will accept application for review in December but will not bind a policy in December, it will have to wait until the first of January.

IN WASHINGTON

Fisherman's Terminal
1900 W Nickerson Suite 320
Seattle, WA 98119
(888) 284-7733 Toll-Free (206) 283-7795 F
Email: info@psvoa.com www.psvoa.com

IN ALASKA

1008 Fish Creek Rd
Juneau, AK 99801
(907) 465-7666 T (907) 917-5470 Fax
Email: Kathy@seafa.org www.seafa.org

SEAFA



RESERVE

MARINE INSURANCE PROGRAM

TO APPLY, CALL OR CLICK
907-465-7666 Cell
907-917-5470 Fax
www.seafa.org

ORGANIZATION

The Southeast Alaska Fishermen's Alliance Reserve (SEAFAR) is an association of fishing vessel owners who are also members of the Southeast Alaska Fishermen's Alliance, Inc. (SEAFI). SEAFAR seeks to promote the safe operation and maintenance of vessels, provide for the adjustments of claims, and create a fund for the payments of losses or claims made by or against its members.

MANAGEMENT

The SEAFI Board of Directors acts as the SEAFAR Board of Trustees. An independent insurance committee reviews each new application. SEAFAR in consultation with Seine Management Services, Inc. (SMS) has the authority and responsibility to set contribution rates, adjust claims, invest funds, and establish all general policy guidelines.

CHARACTER OF COVERAGE

SEAFAR can provide up to \$1 million in hull coverage, and \$1 million in Protection & Indemnity, and Pollution coverage. Excess Protection and Indemnity is available for purchase through SEAFAR's insurance broker in \$1 million dollar increments up to \$4 million. SEAFAR also offers coverage for Breach of Warranty, Net and Gear, Transit as Cargo and Transit by Trailer. SEAFAR does not offer cover for damages to vessel machinery, which is often covered by typical hull and machinery insurance policies. SEAFAR covers only owner operated vessels. In a case of an emergency, arrangements can be made in consultation with SEAFAR for a specific voyage.

METHOD OF PAYMENT

Annual payments are made in two equal installments — due April 1st and August 31st or other payment terms as set by the Manager. Payments by credit card will include a convenience fee to cover the credit card transaction fee.

HULL OPERATIONS

For Hull insurance, members pay annual payment of 2.5% of the vessel value less a 1.0% credit for lay-up time. There is a \$3,500 deductible for hull claims. Single or dual outdrives are subject to an additional \$2,000 or \$4,500 deductible, respectively.

EXAMPLE 1

Member A's vessel is valued at \$75,000. The vessel fishes 6 months per year. The first year's hull premium would be \$1,875

$$\$75,000 \times .025 = \$1,875$$

EXAMPLE 2

In year two, Member A's hull premium, taking into account the prior year's lay-up, would be \$1500

$$\begin{aligned} \$75,000 \times .025 \times .5 (6 \text{ mo fishing}) &= \$937 \\ \$75,000 \times .015 \times .5 (6 \text{ mo fishing}) &= \$563 \\ \text{Total second year Hull premium} &= \$1,500 \end{aligned}$$

EXAMPLE 3

In year five, Member A's year one surplus is credited towards the year five premium. Assuming a surplus based on a 50% return of year one premium (.5 x \$1,875), Member A's year five premium would be \$563.

$$\begin{aligned} \text{Hull Premium} &= \$1,500 \\ \text{Surplus} &= <\$937> \\ \text{Total fifth year Hull premium} &= \$563 \end{aligned}$$



OPERATIONS P & I AND OTHER

For Protection & Indemnity (P&I) insurance coverages, members who also have Hull coverage with SEAFAR pay a varying rate depending on the number of crew. There is a \$2,500 deductible per P&I claim. All SEAFAR members are required to purchase \$1 million in P&I coverage.

BASE P&I

| LIMIT | RATE |
|-------------|-------|
| \$1,000,000 | \$450 |

CREW RATES

| LIMIT | PER MAN/PER MO | / 1/2 MO |
|-------------|----------------|----------|
| \$1,000,000 | \$275 | \$200 |

P&I Rate Note: Half monthly rate is available for 1st -15 of the month OR the 16th through the end of the month.

EXAMPLE 4

Member A has 1 crew for a two month fall shrimp fishery, no crew for the summer salmon season and 1 crew for a longline trip from September 1-15. P&I coverage for \$1,000,000 would be \$1,200

| | |
|-------------------|-------|
| Base Rate | \$450 |
| Shrimp fishery | \$550 |
| Salmon fishery | 0 |
| Longline | \$200 |
| Total P&I premium | 1,200 |

Members must have at least 1/3 of the surveyed hull value in order to purchase P&I coverage with SEAFAR.

OTHER COVERAGES

| | |
|--|-------------|
| BREACH OF WARRANTY | .2% |
| <i>(Insures holder of vessel mortgage)</i> | |
| POLLUTION (\$500,000/ \$1Million limit) | \$250/\$500 |
| NET & GEAR | 1.0% |
| TRANSIT AS TRAILER | TBD |
| TRANSIT AS CARGO | TBD |