



The Importance of Liability Insurance for Riparians

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Liability insurance is certainly important for anyone in Michigan who owns property, runs a business, has a vehicle or simply interacts in the modern world. Good liability insurance is even more important for those people lucky enough to own a waterfront property.

Obviously, the potential hazards associated with a waterfront property are generally greater than for conventional properties. People can drown in lakes and rivers, be injured while diving off boats and docks, be hit by a boat, be injured by nails or screws and sharp corners on docks or swim rafts and face a variety of other potential hazards along the waterfront. Whether the riparian property owner is negligent or not, good and sufficient liability insurance is very important. If a riparian is sued, found liable and owes a large judgment, the riparian landowner's life savings could be wiped out if there is no insurance coverage or the insurance coverage is inadequate. Even if the riparian potentially successfully defends against a lawsuit, good liability insurance will cover the attorney fees and costs incurred in defending against the liability claim in most cases.

In today's litigious society, a liability insurance policy for a waterfront property with maximum coverage of \$300,000 or even \$500,000 is probably not enough. Ideally, the liability insurance coverage for a riparian property should be at least \$1,000,000, \$2,000,000 or even more. Quite often, a riparian property owner can purchase an umbrella liability policy that "goes on top of" the underlying liability insurance.

It is often prudent for a riparian landowner to meet periodically with their insurance agent for an "inventory" of

all the various items and activities that should be covered by the insurance policy.

Vacant waterfront property should also be insured, particularly if a dock, swim raft or boat is involved. Sometimes, a homeowner's policy for the property owner's main house will cover a vacant waterfront property located elsewhere, but not always. Such coverage should also be reviewed with the riparian's insurance agent to ensure good and adequate insurance coverage for the vacant waterfront parcel.

It is also important to clarify with your insurance agent what matters and items are covered for liability insurance purposes. In addition to the cottage or cabin on a waterfront property, the liability insurance should also cover the waterfront itself, any dock or pier, private roads utilized jointly, swim rafts and other waterfront accessories. In most cases, a general homeowner's liability policy will not cover boats or watercraft, which typically requires either a separate insurance policy or a special policy rider.

Good liability insurance can cover thousands of different situations or scenarios that a riparian property owner could not possibly envision. Good liability insurance can give a riparian property owner piece of mind. *R*