

# Inland Marine Insurance: Cost, Features & Providers

By Kimberlee Leonard on October 10, 2019 | [Glossary](#), [Insurance](#), [Small Business Insurance](#), [Types of Insurance](#)

Inland marine insurance covers products, equipment, and valuable goods as they are transported over land or stored at an off-site location. Unlike commercial property insurance, inland marine covers property while it is away from your main premises. The cost of inland marine varies, but typically have minimums of \$250 to \$500 for standalone policies.

If you know you need insurance to cover equipment and assets in transit but not sure how to best structure your coverage, an online insurance broker like [CoverHound](#) will take the time to understand your needs and shop for the perfect policy to protect you. Quotes are free with no obligation.

## What Inland Marine Insurance Is

Inland marine insurance is a type of [business insurance](#) that helps protect property that is in transit, being used, or stored in a place other than your primary location. It's often confused with "marine insurance," which covers cargo being transported across oceans and waterways. Inland marine was developed to extend coverage once ships have docked and unloaded the cargo.

Inland marine can also cover property owned by others that is in your possession. This may include cargo you are transporting or others' property being held on your premises. The goal is to protect materials, inventory, and supplies throughout the supply chain from theft, vandalism, or losses due to collision as well as other common perils. Inland marine insurance policies effectively protect assets on trucks, vans, trains, and via commercial shipping carriers.

## Various Forms of Inland Marine Coverage

Inland marine insurance comes in several different forms and is packaged differently by insurance carriers, based on what you need to insure. For example, an insurance company might have an inland marine policy called "cargo insurance" for shipping businesses and another policy called "fine arts coverage"

for gallery owners. Also, some policies, such as builders risk insurance, are often written on inland marine forms.

Some examples of inland marine insurance that are sold under different names include:

- **Builders risk insurance:** Materials and supplies in transit or stored off-site for construction projects, including the construction site as well as nearby empty lots and third-party warehouses.
- **Motor truck cargo insurance:** Property in transit when moved, semi-trucks, and cargo vans that are the responsibility of the truck driver if cargo is lost or damaged.
- **Equipment floater:** Equipment and tools moved from job site to job site (commonly used in the construction industry).
- **Bailee's customer insurance:** Items and assets held for clients that get damaged while under the care, custody, and control of the business (such as computer repair stores, veterinarians, dry cleaners).
- **Jeweler's block insurance:** Loss of or damage to jewelry that is the stock of jewelry retailers, wholesalers, manufacturers, and pawnbrokers.

Inland marine insurance covers property that is frequently in transit or primarily stored at an off-site location. This property may be your business property or it may be a third-party's property that is temporarily in your care. This differs from commercial property insurance, which primarily covers property in a fixed location, such as your main business location, and includes the building and its contents.

### **What Inland Marine Insurance Covers**

Inland marine insurance covers products, equipment, and materials while they are being transported from location to location over land, which is typically done by truck or train. Inland marine also covers your products, equipment, and inventory when they are being stored in a third-party off-site warehouse or storage facility.

Most inland marine policies protect against these perils:

- Fire
- Theft
- Wind damage
- Lightning strike
- Collision
- Earthquake

Inland marine coverage is a long-term, ongoing policy for businesses that transport property, but it can also cover another person's property that is in your temporary care, such as cargo you are transporting for a client. Remember that coverage varies by industry and insurance provider. Be sure to discuss what specific items are covered and not covered in your policy with your insurance representative before buying a policy.

## What an Inland Marine Policy Doesn't Cover

The most important distinction to make about inland marine insurance is how it differs from commercial property insurance, which typically covers your business-owned property in a fixed location, such as a building and its contents. Inland marine is primarily for property while it is away from your main premises.

Here are the primary items not covered by an inland marine policy:

- Property at a fixed location: Excludes items covered by your commercial property insurance policy, which are primarily items in a fixed location.
- Your vehicle: Excludes the actual vehicle you use to transport your property. Inland marine only covers the property being transported by the vehicle.
- Transport over water: Doesn't cover goods or merchandise being transported across bodies of water, which is covered under an ocean marine insurance policy.

*“Inland marine insurance is often written to cover mobile equipment. The most unusual exclusion I've seen is one that excludes fire! Yes, fire is the most basic of perils, yet the policy excluded damage to the covered equipment if being used to fight a fire. With all the wildfires around the country, this exclusion is extraordinary because if owners understood the exclusions, it would have stopped many from joining the fight by using their bulldozer to set up a fire breaks.”*

– Ron Hettler, President, [Hettler Insurance Agency](#)

Here are specific examples of what inland marine insurance typically doesn't cover:

- Items that have not yet been shipped
- Shipped items that are damaged after they've arrived at their destination
- Damage to construction sites before construction is started
- Intentional damage to property

Small business owners should consider how products, inventory, and supplies are protected throughout the entire supply and delivery chain. In some cases, business owners can negotiate terms to have the distributor responsible for all

items until they are in the business owner's possession. In other situations, such as moving existing equipment or assets, the business owner needs to adequately protect against loss.

## Why Businesses Need Inland Marine Coverage

Businesses need inland marine coverage to protect equipment, materials, and supplies as they are between locations. There is a greater risk for accidents and theft when things are on trucks or trains, and standard business insurance policies don't automatically include inland marine coverage. This creates a coverage gap for many small businesses that don't always keep products or equipment in their main business location.

There are many common instances in the normal course of business operations in which items are not covered.

*"Mailing or shipping through a common carrier (e.g., FedEx, UPS) may or may not be insured through the cargo carrier. If equipment is leased or rented from a supplier, the renter business might need its own coverage on the equipment. If property is damaged while it's being repaired, whether working on your own property or working on someone else's property, it's usually not covered by property or general liability."*



*– P.J. Miller, Partner, [Wallace & Turner Insurance](#)*

## Inland Marine Insurance Providers

Inland marine insurance is rarely going to be the first policy recommended by insurance carriers because they are focused on liability and on-premises losses. However, [commercial insurance carriers](#) who specialize in commercial auto insurance and manufacturing have policies to protect your company assets throughout the entire process of supply and delivery.

### Top Inland Marine Insurance Providers

Five of the top inland marine insurance providers are:

#### CoverHound

[CoverHound](#) is an online [commercial insurance broker](#) provider that partners with more than 180 carriers, giving it access to a wide range of insurance products

and pricing. The company can place a small business owner with one insurance carrier with multiple insurance carriers to customize policies for every small business owner.

CoverHound is the right choice for general contractors moving very expensive equipment to and from job sites. Equipment such as cranes and tractors are large and valuable but prone to higher risk in transport due to their size. CoverHound is able to find the right insurance carrier able to cover the risk and any additional liability that happens in transport.

## **Progressive Commercial**

[Progressive Commercial](#) is a national insurance provider that offers both personal and commercial insurance policies. This insurance carrier has customized policies for various types of commercial auto policies and can access general liability, business property, and workers' compensation insurance.

Progressive Commercial is the right choice for any small business owner who has company cargo vans and delivery vehicles where they regularly transport finished goods to customers. Progressive Commercial's expertise in commercial auto make it the best choice in dealing with auto accident claims, with inland marine being an extension of those commercial insurance policies.

## **AP Intego**

[AP Intego's](#) nationally licensed agents shop your coverage needs to top-rated insurance companies, such as Travelers and AmTrust, so you can compare offers. The benefit of using an insurance broker as reliable as AP Intego is that they can find affordable insurance for your business fast, allowing you to allocate resources elsewhere. Check out AP Intego and get multiple quotes in minutes.

AP Intego is the right choice for small business owners seeking a temporary or short-term inland marine policy for the occasional project that may not qualify for a rider on most normal commercial insurance policies. AP Intego can find the right carrier to protect a business with risks that fall outside of its normal operation for a limited period of time.

## **State Farm**

[State Farm](#) is a large national provider with 19,000 agents in cities and towns all around the U.S. State Farm's inland marine insurance includes multiple coverage types, such as motor truck cargo, fine art dealers, photographers, vending machines, and trip transit for one-time shipment of goods. Their broad coverage on various types of inland marine insurance allows them the versatility to work with various types of businesses.

State Farm is the right choice for artisan contractors and service providers who maintain their tools and equipment in a truck or van for regular use. Lawn care providers, HVAC installers, electricians, and plumbers are some of the artisan contractors State Farm provides coverage for, for both their commercial auto and the tools and equipment within it.

## Liberty Mutual

[Liberty Mutual](#) has been insuring businesses of all sizes for more than 100 years. They offer customized insurance packages for small businesses as well as some of the largest companies in the U.S, including Fortune 500 companies. Liberty Mutual's inland marine insurance includes several different coverage types, including motor truck cargo, bailee's customer, builders risk, and installation floater.

Liberty Mutual is the right choice for businesses that import products from overseas and then distribute them across the country. These businesses require both ocean marine and inland marine that may be covered by Liberty Mutual's comprehensive ocean marine cargo insurance policy.

## Inland Marine Insurance Costs

The cost of an inland marine policy varies, but most small businesses pay between \$300 and \$1,000 per year. The ultimate cost depends on a few factors, such as the size of your business, the industry you are in, how much protection you need, and any state or [federal requirements](#) that must be met.

As an example, heavy contractor equipment is usually insured for \$1 per \$100 of equipment value. Smaller tools can be more expensive because they are more likely to be stolen, and could be as much as \$3 per \$100 of value.

Here are the primary factors affecting the cost of inland marine insurance:

- **Business size:** A larger business size, in terms of revenue and the value of property being covered, typically requires higher premiums.
- **Business type:** The industry you are in impacts your premium. For example, a mobile food vendor might pay less than \$500 per year, whereas a trucker may pay \$1,000 for [cargo insurance](#).
- **Types of coverage needed:** If your business stores and transports property, that's two types of inland marine coverage, and that's more expensive than if you had just one type.
- **Type of property protecting:** Higher policy limits and greater risk are required for more valuable assets, such as rare artwork, as compared to

some construction equipment. More protection translates into higher premium costs.

- State requirements: Some states may have inland marine coverage requirements for certain businesses, such as trucking companies that transport goods in their state.
- Federal requirements: Some industries, such as truckers, are required by law to carry inland marine insurance.

Limit exposure by only keeping the necessary tools, supplies, and equipment in vehicles. This will reduce the amount in transit at any given time and reduce your insurance premiums.

## Inland Marine Insurance Protects

### Equipment



### Tools



### Supplies



### Inventory



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## Who Needs Inland Marine Coverage

Businesses get inland marine coverage to protect their own property when it's in transit or stored off-site. Some businesses may also need inland marine if they ship products to customers or take possession of other people's property.

Companies that are responsible for cargo, like truckers and carriers, may also need inland marine insurance.

Some examples of businesses that typically need inland marine coverage include:

- **Transport and logistics companies:** Businesses in the supply chain that ship and store goods in warehouses are prime candidates for inland marine insurance because they are consistently transporting and temporarily storing property of third parties.
- **Construction contractors and builders:** Businesses that move equipment and heavy machinery to construction sites need inland marine coverage, which is typically sold as builders risk insurance or contractors equipment insurance.
- **Semi-truck businesses:** Owner-operators and motor carriers need motor truck cargo insurance, which is a form of inland marine insurance that covers damage or loss to cargo they are carrying.
- **Commercial photography businesses:** Photographers who go to different locations for photo shoots may need inland marine to cover their high-value photography gear and equipment.
- **Mobile food vendors:** Food vendors who don't have a brick-and-mortar locations need coverage that follows them as they move locations.
- **Jewelers:** Jewelers use an inland marine coverage called jeweler's block to protect their inventory, stock, goods in process, and raw materials, as well as any customer property entrusted to them.
- **Warehouses:** Companies that maintain the property of others, such as warehouses and storage facilities, take on the "care, custody, and control" of other people's assets, and this makes inland marine coverage necessary.

There are dozens of other businesses and professions that may need inland marine insurance. Without this coverage, you may have a gap in your [business insurance coverage](#) because neither property insurance nor commercial auto insurance can protect your property as it travels.

## Types of Insurance Related to Inland Marine

Rarely is inland marine insurance the primary policy that a small business needs. In fact, most small businesses do not need inland marine insurance and can get the coverage they need through other [business insurance types](#).

Consider these business insurance types as an alternative or addition to inland marine insurance:

## Commercial Property Insurance

**Commercial property insurance** covers assets owned by the business, such as building, equipment, or inventory. A standard property policy typically protects buildings and contents at a particular location, or within 1,000 feet of that space. This coverage is right for businesses that want to protect assets remaining at a primary physical premises.

## Commercial Auto Insurance

**Commercial auto insurance** protects against claims arising from accidents involving vehicles you use for your business. Policies can include coverage for medical payments, physical damage to your vehicle, and more for your business and for third parties. Commercial auto also typically covers property that is attached to the vehicle, such as a boom on a tow truck. It doesn't cover unattached property, such as a lawnmower.

## Ocean Marine Insurance

Ocean marine insurance works like inland marine except that instead of covering property in transit on land, ocean marine covers property while being shipped by sea. Ocean marine coverage protects merchandise, goods, workers, and cargo in storage during marine transport domestically and abroad.

## Tips When Applying for Inland Marine Coverage

Inland marine insurance isn't something to overlook because it may be part of a bigger insurance protection picture. An insurance expert can help you determine if you require inland marine coverage based on your biggest needs.

Here are three tips to consider before you decide to get inland marine insurance quotes:

### 1. Weigh the Costs vs Benefits of Buying Inland Marine Insurance

If you transport property from one location to another, you are a candidate for inland marine insurance. However, consider the value of the assets in transport at any given time and the cost of a standalone policy versus an endorsement on an existing commercial insurance policy.

For example, a landscaper who hauls \$2,000 of machinery every day on a trailer probably can't justify paying \$300 to \$500 per year for insurance. Keep in mind that depreciated value is not replacement value. If you opt to insure for the full replacement cost of your property, you will most likely pay a higher premium.

## **2. Don't Assume You Are Covered by Commercial Property Insurance**

Be aware that many commercial property policies have very limited coverage for property taken off the specified location unless you've had your policy written for your specific business needs. Items in cargo vans, work trucks, and delivery vehicles might not be covered by commercial auto or business property policies when away from the home office or store.

## **3. Add Coverage You Need to Commercial Property Insurance**

Endorsements often cover the need for inland marine coverage and are the most cost-effective way for business owners to protect their business without risking gaps. Standalone policies tend to be expensive, but you may be able to meet your inland marine insurance needs for as little as an extra \$100 per year through an endorsement to your commercial property policy.

## **Frequently Asked Questions (FAQs)**

Inland marine insurance is not the most common commercial policy, which means you may have more questions about this unique coverage type. The following frequently asked questions may provide the clarity you need. But if not, feel free to ask questions in [our forum](#).

### **How do I know if I need inland marine insurance?**

The primary determining factors that would make you a candidate for inland marine insurance is if you frequently transport property from location to location, such as various job sites, or if you store property at an off-site location. Commercial property insurance primarily covers only property located at the address on the policy.

### **Do I need inland marine coverage in addition to property insurance?**

Standard business property insurance doesn't include items in transit, making inland marine coverage necessary. Inland marine insurance is designed to cover assets while they are out of your normal control, such as an office or store. Gaps in coverage on other policies, such as commercial property insurance, are filled by inland marine insurance.

### **Is inland marine insurance included in a business owner's policy (BOP)?**

Inland marine insurance can be added to a [business owner's policy](#) (BOP) for as little as \$100 annually. BOPs provide liability coverage with business property coverage, so adding inland marine directly to the policy is an easy way for small business owners to avoid gaps in insurance.

## Is equipment floater the same as inland marine?

An equipment floater is the official name for the inland marine rider used by many construction businesses that transport expensive equipment from location to location. Equipment floaters cover assets already covered by other insurance policies for short-term periods when they are not at a central business location or job site.

## Bottom Line

Inland marine insurance is an often overlooked insurance type that may be needed by businesses that regularly transport valuable property from location to location or businesses that are in temporary possession of the property of others. It's important to understand that a standard commercial property insurance policy does not typically cover these unique insurance needs.

Because inland marine insurance is designed to cover risk gaps when your equipment or property is most exposed being transported, getting the right policy is imperative. Make sure your property is covered by contacting the experts at [CoverHound](#). Their agents will find you the right policy at an affordable price. Reach out today to get multiple quotes in minutes.