

Northeast Michigan Marine Surveys

Marine Surveys and Appraisals of Pleasure Craft

Instructions

Marine surveys may be classified according to the purpose they serve. Pre-Purchase (Condition & Valuation) Surveys are needed to determine condition and valuation when a new or used vessel is changing hands and the new owner is concerned about defects and overall operation. An Insurance (Condition & Valuation) Survey may be required by the owner's or purchaser's insurance company so underwriters can determine continued eligibility for coverage and premiums when the policy is renewed. Finance Surveys to determine condition and valuation may be required by a lender to assess its risk when securing a loan with the vessel.

Valuation-only surveys gather just enough information to determine the fair market value, and they may be requested by estates, by others for tax reasons or charitable donations, or by the seller to set the selling price. A Seller's Survey is intended to be used by a seller as a marketing tool to complete a sale. Damage/Loss Surveys determine the extent of damage from collision, fire, or theft at the request of an insurance company or the insured whose claim has been denied, but do not concern overall condition or value.

Such surveys are visual examinations of the exterior surfaces of components in each system, including electrical wiring, connections, and devices, engine(s), transmission(s), and generator(s). But assessment of the internal condition of these components are not included, and surveys of them must be separately obtained from marine Electrical and Propulsion experts at additional cost to you. Any of the above surveys may be done in the water, meaning the purchaser elects not to have the boat hauled onto dry land. An "In-The-Water" survey is not a complete survey, but may be conducted, for example, to save money for the purchaser when the insurance and/or finance company demands a condition and valuation survey, but does not demand examination of the exterior wetted surface of the hull and exterior propulsion equipment.

Purchasers may also desire claims assistance from a surveyor to challenge the denial of a claim based upon the findings of the insurance company's surveyor. Some purchasers may want a Sea-trial only, because they are satisfied with their own inspection of the boat, and they plan to buy it unless a Sea-Trial turns up something unusual.

A survey is complete only upon issuance of a written report of the visual inspection--while in the water, underway in a sea trial, and after haul out--of the observable surfaces in the boat, including essential equipment, for evidence of defects, damage, failure, or structural faults.

A partial survey is a written report of the results from the same visual inspection without a sea trial. If a partial survey is requested, the sea trial must be waived in writing.

None of these surveys is a guarantee that defects, damage, failure, or structural faults do not exist, even if no evidence of them is found, because such problems can easily be undetectable behind solid surfaces.

Do not close a purchase until the survey is complete; a pre-purchase survey is not complete until the written report is received by the purchaser. If the seller has accepted an offer from you subject to an acceptable survey, please advise us of the accepted offer price.

Electronics, the engine(s) and generator(s) will be inspected visually but will not be powered-up except during a sea trial. However, a full-scale AC/DC electrical analysis or a full-scale technical engine and

generator evaluation is not part of the survey. You must hire marine specialists for such services. And you should review the operation of all electronics with the owner.

You are also responsible for confirming operational condition of all non-essential equipment, such as refrigerators, stoves, freezers, ice makers, dish washers, trash compactors, disposals, clothes washer/dryer, central vacuums, heaters/air conditioners, auto pilots, sonar, computers, faxes, TVs, VCRs, CD players, stereos, cell phones, Sat phones, auto-pilots, fishing gear, accuracy of gauges, operation of davits or hydraulic lifts, and general condition of furnishings, cabinets and fabrics. The above items are not part of the survey and will be checked for power-on only.

The stays, shrouds, spreader, mast, sails, and other equipment of sailboats with stepped standing rigging will not be inspected higher than eye level above the deck.

NMMS conducts surveys of yachts and small craft only and it does not perform Seller's Surveys or any surveys of the following boats: metal or wood boats, custom boats, racing boats, high performance boats and commercial boats that carry more than 6 passengers for hire.

No surveys or evaluations between December 1 to April 1 unless the boat is in heated, inside storage and sea trial is waived in writing by the purchaser.

The preferred order for conducting the main components of the inspection are:

- A. Boat now dry docked: (1) Complete static inspection on land; (2) Launch; (3) Sea trial (dynamic inspection).
- B. Boat now in water: (1) Start static inspection in water; (2) Sea trial (dynamic inspection); (3) Haul out; (4) Complete static inspection on land.

You must also make arrangements with the seller and/or the dockyard for hauling and launching the boat and cleaning the bottom, plus payment for those services.

You must also arrange with the seller and/or broker for registration/ documentation to be aboard, safety equipment for a sea trial to be aboard, water in the tanks for operating the pressure water system, AC (shorepower) and DC (batteries) electric available, ignition, locker and entry keys; removing and replacing covers; unstoring & restoring spars & rigging; adequate fuel for the dynamic inspection; and a qualified person to pilot the boat while underway.

Also, for boats 25' and above, make arrangements with the seller and/or broker for the documents from the original purchase, the owners manual and the maintenance records to be present at the survey.

Because a professional survey is an arduous, time-consuming, and detailed process for the surveyor and not a social occasion, no one may attend the survey, including the sea trial, except the the seller, the purchaser and broker, the propulsion and engine specialist, if any, and the surveyor.

We can usually begin a survey within 48 hours of the time you return a copy of our signed invoice. Once the static and dynamic inspections are complete, the report will be available within 4 business days.

Payment by check, money order, or cash must be made before the survey begins.