



**AQUACULTURE DIVISION
WATER COLUMN INSURANCE FACT SHEET**

All water column leases are required to have commercial general liability insurance coverage in accordance with the terms and conditions specified in the lease agreement. The following information is provided to assist leaseholders in obtaining the appropriate insurance coverage for water column lease(s). It is recommended that leaseholders ask their insurance provider to list their lease number(s) and corresponding acreage(s) on their Policy Binder or Certificate of Liability. The State of Maryland and the Department of Natural Resources should also be clearly designated as co-insureds. Having this information detailed on insurance documents will expedite verification of coverage by the Aquaculture Division during review of the policy.

Water Column Insurance requirements as described on the lease application:

Applicants should be aware that the Department requires water column lease holders to maintain at their expense, throughout the Term of the lease, insurance against loss or liability in connection with bodily injury, death, property damage or destruction, occurring within the leased area or arising out of the use of the lease by the leaseholder or its agents, employees, officers, and visitors.

Language pertaining to insurance in water column lease agreement:

“If this Lease includes the water column, Lessee shall maintain at its expense, throughout the Term, insurance against loss or liability in connection with bodily injury, death, property damage or destruction, occurring within the Area or arising out of the use thereof by Lessee or its agents, employees, officers, and visitors, under one or more policies of Commercial General Liability insurance having such limits as to each as are reasonably required by Lessor from time to time, but in any event of not less than a minimum coverage of One Million Dollars (\$1,000,000) per occurrence, Two Million Dollars (\$2,000,000) annual aggregate, and shall contain broad form CGL Endorsement or its equivalent. Each such policy shall (a) name as insureds thereunder the State of Maryland and the Department of Natural Resources and Lessee, (b) by its terms be considered primary and non-contributory with respect to any other insurance (if any) carried by Lessor or its successors, (c) by its terms, provide Lessor with thirty (30) days prior written notice before cancellation, non-renewal, or material change to a policy, and (d) be issued by an insurer of recognized responsibility licensed to issue such policy in Maryland. Lessee shall obtain from its insurer and deliver to Lessor an endorsement to Lessee’s policy to evidence that Lessor is named as an additional insured and will be given thirty (30) days notice prior to cancellation, non-renewal, or material change to the policy.”

If documentation of insurance coverage is incomplete or not submitted with the initial rent payment after a new lease has been issued, Shellfish Aquaculture Harvester Permits and Registration Cards may be delayed. In addition, failure to maintain insurance coverage throughout the term of the lease represents an event of default and may result in termination of the lease.