

Changes to Insurance Requirements for Waterway Leases in Oregon

The Oregon Department of State Lands (DSL) is updating insurance requirements for all [new and renewing waterway leases](#), **effective February 15, 2026**. These updates will ensure that insurance coverage appropriately reflects the risks associated with authorized waterway uses and help protect both lessees and the State of Oregon from potential liability.

Why are insurance requirements changing?

DSL is aligning insurance requirements with statewide risk management standards to ensure all waterway lease holders carry appropriate insurance coverage based on their activities. The goal is to create a more consistent, transparent, and risk-based approach for waterway leases. This effort is part of a broader initiative to modernize management of Oregon's waterways and reduce liability for both waterway lease holders and the state's overall risk exposure.

DSL worked closely with the Department of Administrative Services' Risk Management Division to develop updated requirements, as well as new tools and guidance to help DSL staff determine appropriate insurance standards for each waterway lease.

When do they take effect?

Updated insurance requirements apply to waterway leases authorized under Oregon Administrative Rules 141-082. Waterway leases cover medium or large private structures, including docks, floating homes, and other structures 2,500 square feet or larger, as well as floating recreational cabins over 1,500 square feet. Includes all commercial activity.

New Applications	Applications received on or after February 15, 2026 .
Renewals	Renewals of existing waterway leases that expire on or after February 15, 2026 .
Amendments & Assignments	If the use or activity on your waterway lease has changed – for example, if new equipment or operations are added – or if there is a change in ownership, your insurance requirements may need to be updated to reflect that change. This applies to amendments made on or after February 15, 2026 .
Additional considerations: <ul style="list-style-type: none">Existing waterway leases will continue under their current terms, with no change to their insurance requirements, until renewal, amendment, or assignment.If you submitted an application before February 15, 2026 (even if it's a renewal and your waterway lease expires later), please reach out to your Proprietary Coordinator with questions on the insurance requirements pertaining to your waterway lease.	

Are waterway registrations impacted?

At this time, the updated insurance requirements apply only to waterway leases. DSL has proposed rule changes to OAR 141-082 that would extend similar insurance requirements to waterway registrations (these are issued for small private structures, excluding commercial activity). The State Land Board is expected to consider those rule changes in April 2026. If adopted, they would take effect **July 1, 2026**, and DSL will share details and guidance to waterway registration holders well in advance.

What are the new insurance requirements?

Non-Commercial Leases

For non-commercial waterway leases, most personal and recreational users will find that their homeowner's (HOA3) policy already meets DSL's insurance requirements. Depending on the activity and whether a motorized vessel is moored or used on-site, additional coverage such as an umbrella or personal boat policy may be required. Policies must also include coverage for any structures located on the premises, though insurers may use different terminology for this endorsement (e.g., "Other Structure," "Detached Structure," or similar).

Commercial Leases

Insurance requirements for commercial waterway leases will vary depending on the type of operation and associated risks. In general, commercial lessees should expect to maintain some or all of the following:

- Commercial General Liability coverage
- Marine Liability coverage
- Commercial Property coverage
- Environmental or Pollution policies, where applicable

Certain commercial operations will also have additional, use-specific requirements:

- Marinas must maintain Marina Operators Legal Liability (MOLL) coverage.
- Ship builders and repair facilities must maintain Ship Repairer's Legal Liability coverage.

Vessel related coverage

Commercial waterway leases with lessee-owned vessels moored on-site may be required to maintain some or all of the following:

- Protection & Indemnity (P&I) – covers vessel maritime liability risks associated with vessel operation.
- Hull & Machinery – provides property coverage for vessels.
- Vessel Pollution – covers pollution risks related to vessel operations.
- Bumbershoot Policy – provides excess or umbrella liability coverage across multiple marine-related policies.

Questions?

[Contact your county's Proprietary Coordinator](#) with questions about insurance requirements, documentation, or lease-specific conditions.

Frequently Asked Questions

1. How will DSL help lessees adjust to these new requirements?

DSL will provide clear guidance, sample insurance language, and help lessees and their insurance providers navigate the new requirements.

2. How will I know if my current coverage meets the new requirements?

Your [Proprietary Coordinator](#) can help you review your current policy. It's recommended that you share DSL's insurance requirements with your agent to verify that coverage meets the specified limits and endorsements.

3. What documentation do I need to provide?

Lessees and registrants must submit a certificate of insurance showing required coverage and, when applicable, naming the State of Oregon, acting by and through the Department of State Lands, as an additional insured. Proof of coverage is required at the start of the term, updated annually and upon renewal.

4. Will these changes increase my costs?

For most non-commercial recreation lessees, costs are expected to remain the same since homeowner's policies often already meet the new standards. Commercial lessees may see variable costs depending on the nature and scale of their operations.

5. My policy doesn't use the term "Other Structure." Is that a problem?

No. Insurers may use different terminology. The key is that your policy provides coverage for structures located on the premises.

6. What happens if my activities change?

If your authorized use changes – for example, if new equipment or operations are added – your insurance requirements may need to be updated to reflect that change. Always contact your Proprietary Coordinator before modifying your use or activity.

7. What happens if I don't maintain the required insurance?

Maintaining current and valid insurance is a condition of your waterway lease. If coverage lapses or requirements are not met, DSL may require proof of reinstatement or could consider the waterway lease out of compliance. If your waterway lease is determined to be out of compliance, it begins a process that can lead to default and termination. The goal is always to resolve issues before they affect your waterway lease.

8. Will these requirements change again in the future?

Insurance requirements are reviewed periodically to ensure they reflect current industry practices and risk conditions. DSL will provide notice and updated guidance before any future changes are made.

9. How are these changes related to the updates happening to administrative rules?

[Active rulemaking is underway on Oregon Administrative Rules 141-082](#) to achieve sustainable operations and implement best management practices. This coordinated effort is happening concurrently with insurance requirement changes — both towards the same goal of strengthening the health and safety of Oregon-owned waterways. If the proposed changes to rule are adopted by the Land Board, it's anticipated those updated rules and lease rates will be effective July 1, 2026. DSL is prioritizing the implementation of new insurance standards for waterway leases now to provide immediate protection for both the state and lessees. Questions about the rulemaking project? Contact Danielle Boudreaux at DSL.rules@dsl.oregon.gov.