HB 169 **repeals Utah's statutory requirement** that certain motorboats and personal watercraft carry liability insurance in order to operate on Utah waters.

This bill **does not ban insurance** and does **not remove liability.** It **ends a government-mandated purchase** and restores **consumer choice and market competition.**

1) One of Only *Two* States With a Statewide Boat-Insurance Mandate

- **Only two states,** Utah and Arkansas, require boat liability insurance by law
- The other **48 states do not mandate boat insurance** for recreational boating.

Utah is not following a national norm. It is an **insurance-mandate outlier,** without evidence that this mandate produces better consumer or market outcomes.

2) NAIC Data: P&C Insurers Pay Out Far Less Than They Collect

Independent insurer financial and claims-outcome data show that **Property & Casualty insurers retain a large share of premiums and deny a substantial share of claims:**

Claims Outcome Data (P&C Lines):

- Insurer claims-payout analytics show that **a large share of P&C claims are closed without payment; roughly 35%–50% are closed with no payment** in recent years.

Why this matters for policy:

- They show a **structural imbalance** between serving Utahns and what insurers keep.
- When coverage is **mandated by law** insurers, face **less competitive pressure,** have weaker incentives to improve claims handling, and can rely on statutory demand instead of customer satisfaction.

3) Mandatory Purchase Weakens Market Discipline

When government **forces every boater to buy insurance,** insurers do not need to compete as hard on; pricing, clarity of policy language, customer service, or claims fairness.

This creates a **captive market.**

- **Free-market principles better serve Utahns.** Insurers must **earn customers** instead of relying on statute.
- Companies that deny fewer valid claims, price more fairly, treat customers better and gain market share. Poor performers lose business.

Free Market Principles - Consumer Choice - Competition Improves Claims Outcomes

Inland marine policies claim payout ratio

Companies operating in Utah[1]	2024
Claim payout (%)	**37.9**
Premiums ($ million)	246.7
Settlement to policyholders ($ million)	93.5

[1]Includes 57 insurance companies writing at least $1 million of inland marine premium in UT

Companies operating in Arkansas[2]	2024
Claim payout (%)	**47.9**
Premiums ($ million)	274.4
Settlement to policyholders ($ million)	131.4

[2]Includes 57 insurance companies writing at least $1 million of inland marine premium in AR

Companies operating in Utah and Arkansas[3]	2024
Claim payout (%)	**42.3**
Premiums ($ million)	619.4
Settlement to policyholders ($ million)	262.1

[3]Utah and Arkansas are the only two states with a boat-insurance mandate

Companies operating in Other States[4]	2024
Claim payout (%)	**43.0**
Premiums ($ million)	34,056.3
Settlement to policyholders ($ million)	14,629.6

[4]Other 48 states do not mandate boat insurance

Nationwide inland marine business	2024
Claim payout (%)	**42.9**
Premiums ($ million)	34,675.7
Settlement to policyholders ($ million)	14,891.7