

**Representative Kerry W. Gibson** proposes the following substitute bill:

**MOTORBOAT LIABILITY INSURANCE AMENDMENTS**

2005 GENERAL SESSION

STATE OF UTAH

**Sponsor: Kerry W. Gibson**

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**LONG TITLE**

**General Description:**

This bill modifies the Insurance Code, the State Boating Act, and the Financial Responsibility of Personal Watercraft Owners and Operators Act by amending provisions related to motorboat insurance.

**Highlighted Provisions:**

This bill:

- ▶ defines motorboat and includes personal watercraft in the definition of motorboat;
- ▶ requires that each resident owner and certain nonresident owners of a motorboat shall maintain owner's or operator's security if the motorboat is operated on the waters of the state;
- ▶ provides that it is a class B misdemeanor to operate a motorboat on the waters of the state without certain owner's or operator's security being in effect;
- ▶ requires a person operating a motorboat to carry evidence of owner's or operator's security for the motorboat and display it upon demand of a peace officer;
- ▶ provides certain requirements for a certificate of self-funded coverage for motorboats;
- ▶ provides certain requirements for claims adjustment for persons who maintain motorboat owner's or operator's security by means other than an insurance policy;
- ▶ provides requirements for a liability insurance policy purchased to satisfy the



- 26 owner's or operator's security requirement for motorboats;
- 27       ▶ provides minimum limits for a motorboat liability coverage policy; and
- 28       ▶ makes technical changes.

29 **Monies Appropriated in this Bill:**

30       None

31 **Other Special Clauses:**

32       None

33 **Utah Code Sections Affected:**

34 **AMENDS:**

- 35       **31A-22-315**, as last amended by Chapter 90, Laws of Utah 2004
- 36       **31A-22-1501**, as enacted by Chapter 348, Laws of Utah 1997
- 37       **31A-22-1502**, as enacted by Chapter 348, Laws of Utah 1997
- 38       **31A-22-1503**, as enacted by Chapter 348, Laws of Utah 1997
- 39       **31A-22-1504**, as enacted by Chapter 348, Laws of Utah 1997
- 40       **73-18-13.5**, as enacted by Chapter 348, Laws of Utah 1997
- 41       **73-18c-101**, as enacted by Chapter 348, Laws of Utah 1997
- 42       **73-18c-102**, as enacted by Chapter 348, Laws of Utah 1997
- 43       **73-18c-301**, as enacted by Chapter 348, Laws of Utah 1997
- 44       **73-18c-302**, as enacted by Chapter 348, Laws of Utah 1997
- 45       **73-18c-303**, as enacted by Chapter 348, Laws of Utah 1997
- 46       **73-18c-304**, as last amended by Chapter 298, Laws of Utah 2003
- 47       **73-18c-306**, as enacted by Chapter 348, Laws of Utah 1997
- 48       **73-18c-307**, as last amended by Chapter 90, Laws of Utah 2004



50 *Be it enacted by the Legislature of the state of Utah:*

51       Section 1. Section **31A-22-315** is amended to read:

52       **31A-22-315. Motor vehicle insurance reporting -- Penalty.**

53       (1) (a) Each insurer that issues a policy that includes motor vehicle liability coverage,  
54 uninsured motorist coverage, underinsured motorist coverage, or personal injury coverage  
55 under this part shall before the seventh day of each calendar month provide to the Department  
56 of Public Safety's designated agent selected in accordance with Title 41, Chapter 12a, Part 8,

57 Uninsured Motorist Identification Database Program, a record of each motor vehicle insurance  
58 policy in effect for vehicles registered or garaged in Utah as of the previous month that was  
59 issued by the insurer.

60 (b) This Subsection (1) does not preclude more frequent reporting.

61 (2) The record shall include:

62 (a) the name, date of birth, and driver license number, if the insured provides a driver  
63 license number to the insurer, of each insured owner or operator, and the address of the named  
64 insured;

65 (b) the make, year, and vehicle identification number of each insured vehicle; and

66 (c) the policy number, effective date, and expiration date of each policy.

67 (3) Each insurer shall provide this information [~~on magnetic tape~~] by an electronic  
68 means or [~~in~~] by another form the Department of Public Safety's designated agent agrees to  
69 accept.

70 (4) (a) The commissioner may, following procedures set forth in Title 63, Chapter 46b,  
71 Administrative Procedures Act, assess a fine against an insurer of up to \$250 for each day the  
72 insurer fails to comply with this section.

73 (b) If an insurer shows that the failure to comply with this section was inadvertent,  
74 accidental, or the result of excusable neglect, the commissioner shall excuse the fine.

75 Section 2. Section **31A-22-1501** is amended to read:

76 **Part 15. Liability Insurance for Motorboats**

77 **31A-22-1501. Definitions.**

78 As used in this part:

79 (1) "Motorboat" has the same meaning as defined under Section 73-18c-102.

80 [~~(1)~~] (2) "Operator" has the same meaning as under Section 73-18c-102.

81 [~~(2)~~] (3) "Owner" has the same meaning as under Section 73-18c-102.

82 [~~(3)~~] ~~"Personal watercraft" has the same meaning as under Section 73-18-2.~~

83 (4) [~~"Personal watercraft"~~] "Motorboat business" means a [~~personal watercraft~~]  
84 motorboat sales agency, repair shop, service station, storage garage, or public marina.

85 (5) "Rental company" means any person or organization in the business of providing  
86 [~~personal watercraft~~] motorboats to the public.

87 (6) "Renter" means any person or organization obtaining the use of a [~~personal~~

88 ~~watercraft~~ motorboat from a rental company under the terms of a rental agreement.

89 Section 3. Section **31A-22-1502** is amended to read:

90 **31A-22-1502. Motorboat liability coverage.**

91 (1) A liability insurance policy purchased to satisfy the owner's or operator's security  
92 requirement of Section 73-18c-301 shall:

93 (a) name the [~~personal watercraft~~] motorboat owner or operator in whose name the  
94 policy was purchased, state that named insured's address, the coverage afforded, the premium  
95 charged, the policy period, and the limits of liability;

96 (b) (i) if it is an owner's policy:

97 (A) designate by appropriate reference each [~~personal watercraft~~] motorboat on which  
98 coverage is granted;

99 (B) insure the person named in the policy;

100 (C) insure any other person using any named [~~personal watercraft~~] motorboat with the  
101 express or implied permission of the named insured; and

102 (D) except as provided in Subsection (7), insure any person included in Subsection  
103 (1)(c) against loss from the liability imposed by law for damages arising out of the ownership,  
104 maintenance, or use of the named [~~personal watercraft~~] motorboat within the United States and  
105 Canada, subject to limits exclusive of interest and costs, for each [~~personal watercraft~~]  
106 motorboat, in amounts not less than the minimum limits specified under Section 31A-22-1503;  
107 or

108 (ii) if it is an operator's policy, insure the person named as insured against loss from the  
109 liability imposed upon him or her by law for damages arising out of the insured's use of any  
110 [~~personal watercraft~~] motorboat not owned by the insured, within the same territorial limits and  
111 with the same limits of liability as in an owner's policy under Subsection (1)(b)(i); and

112 (c) except as provided in Subsection (7), insure persons related to the named insured by  
113 blood, marriage, adoption, or guardianship who are residents of the named insured's household,  
114 including those who usually make their home in the same household but temporarily live  
115 elsewhere, to the same extent as the named insured.

116 (2) A liability insurance policy covering [~~personal watercraft~~] a motorboat may:

117 (a) provide for the prorating of the insurance under that policy with other valid and  
118 collectible insurance;

119 (b) grant any lawful coverage in addition to the required [~~personal watercraft~~]  
120 motorboat liability coverage;

121 (c) if the policy is issued to a person other than a [~~personal watercraft~~] motorboat  
122 business, limit the coverage afforded to a [~~personal watercraft~~] motorboat business or its  
123 officers, agents, or employees to the minimum limits under Section 31A-22-1503, and to those  
124 instances when there is no other valid and collectible insurance with at least those limits,  
125 whether the other insurance is primary, excess, or contingent; and

126 (d) if issued to a [~~personal watercraft~~] motorboat business, restrict coverage afforded to  
127 anyone other than the [~~personal watercraft~~] motorboat business or its officers, agents, or  
128 employees to the minimum limits under Section 31A-22-1503, and to those instances when  
129 there is no other valid and collectible insurance with at least those limits, whether the other  
130 insurance is primary, excess, or contingent.

131 (3) [~~Personal watercraft~~] Motorboat liability coverage need not insure any liability:

132 (a) under any workers' compensation law under Title 34A, Utah Labor Code;

133 (b) resulting from bodily injury to or death of an employee of the named insured, other  
134 than a domestic employee, while engaged in the employment of the insured, or while engaged  
135 in the operation, maintenance, or repair of a designated [~~personal watercraft~~] motorboat; or

136 (c) resulting from damage to property owned by, rented to, bailed to, or transported by  
137 the insured.

138 (4) An insurance carrier providing [~~personal watercraft~~] motorboat liability coverage  
139 has the right to settle any claim covered by the policy, and if the settlement is made in good  
140 faith, the amount of the settlement is deductible from the limits of liability specified under  
141 Section 31A-22-1503.

142 (5) A policy containing [~~personal watercraft~~] motorboat liability coverage imposes on  
143 the insurer the duty to defend, in good faith, any person insured under the policy against any  
144 claim or suit seeking damages which would be payable under the policy.

145 (6) (a) If a policy containing [~~personal watercraft~~] motorboat liability coverage  
146 provides an insurer with the defense of lack of cooperation on the part of the insured, that  
147 defense is not effective against a third person making a claim against the insurer, unless there  
148 was collusion between the third person and the insured.

149 (b) If the defense of lack of cooperation is not effective against the claimant, after

150 payment, the insurer is subrogated to the injured person's claim against the insured to the extent  
151 of the payment and is entitled to reimbursement by the insured after the injured third person has  
152 been made whole with respect to the claim against the insured.

153 (7) A policy of [~~personal watercraft~~] motorboat liability coverage may specifically  
154 exclude from coverage a person who is a resident of the named insured's household, including  
155 a person who usually makes his or her home in the same household but temporarily lives  
156 elsewhere, if each person excluded from coverage satisfies the owner's or operator's security  
157 requirement of Section [~~73-18c-101~~] 73-18c-301, independently of the named insured's proof  
158 of owner's or operator's security.

159 Section 4. Section **31A-22-1503** is amended to read:

160 **31A-22-1503. Motorboat liability policy minimum limits.**

161 Policies containing [~~personal watercraft~~] motorboat liability coverage may not limit the  
162 insurer's liability under that coverage below the following:

163 (1) (a) \$25,000 because of liability for bodily injury to or death of one person, arising  
164 out of the use of a [~~personal watercraft~~] motorboat in any one accident;

165 (b) subject to the limit for one person in Subsection (1)(a), in the amount of \$50,000  
166 because of liability for bodily injury to or death of two or more persons arising out of the use of  
167 a [~~personal watercraft~~] motorboat in any one accident; and

168 (c) in the amount of \$15,000 because of liability for injury to, or destruction of,  
169 property of others arising out of the use of a [~~personal watercraft~~] motorboat in any one  
170 accident; or

171 (2) \$65,000 in any one accident whether arising from bodily injury to or the death of  
172 others, or from destruction of, or damage to, the property of others.

173 Section 5. Section **31A-22-1504** is amended to read:

174 **31A-22-1504. Mandatory coverage.**

175 (1) A rental company shall provide its renters with primary coverage meeting the  
176 requirements of Title 73, Chapter 18c, Financial Responsibility of [~~Personal Watercraft~~]  
177 Motorboat Owners and Operators Act.

178 (2) All coverage shall include primary defense costs and may not be waived.

179 Section 6. Section **73-18-13.5** is amended to read:

180 **73-18-13.5. Motorboat accidents -- Investigation and report of operator security**

181 -- Agency action if no security -- Surrender of registration materials.

182 (1) Upon request of a peace officer investigating an accident involving a [~~personal~~  
183 ~~watercraft~~] motorboat as defined in Section 73-18c-102, the operator of the [~~personal~~  
184 ~~watercraft~~] motorboat shall provide evidence of the owner's or operator's security required  
185 under Section 73-18c-301.

186 (2) The peace officer shall record on a form approved by the division:

187 (a) the information provided by the operator;

188 (b) whether the operator provided insufficient or no information; and

189 (c) whether the peace officer finds reasonable cause to believe that any information  
190 given is not correct.

191 (3) The peace officer shall deposit all completed forms with the peace officer's agency,  
192 which shall forward the forms to the division no later than ten days after receipt.

193 (4) (a) The division shall revoke the registration of a [~~personal watercraft~~] motorboat as  
194 defined in Section 73-18c-102 involved in an accident unless the owner or operator can  
195 demonstrate to the division compliance with the owner's or operator's security requirement of  
196 Section 73-18c-301 at the time of the accident.

197 (b) Any registration revoked may not be renewed for a period of one year following the  
198 date of revocation.

199 (5) A person may appeal a revocation issued under Subsection (4) in accordance with  
200 procedures established by the board by rule that are consistent with Title 63, Chapter 46b,  
201 Administrative Procedures Act.

202 (6) (a) Any person whose registration is revoked under Subsection (4) shall return the  
203 registration card and decals for the [~~personal watercraft~~] motorboat to the division.

204 (b) If the person fails to return the registration materials as required, they shall be  
205 confiscated under Section 73-18-13.6.

206 (7) The board may make rules for the enforcement of this section.

207 (8) In this section, "evidence of owner's or operator's security" includes any one of the  
208 following:

209 (a) the operator's:

210 (i) insurance policy;

211 (ii) binder notice;

- 212 (iii) renewal notice; or
- 213 (iv) card issued by an insurance company as evidence of insurance;
- 214 (b) a copy of a surety bond, certified by the surety, which conforms to Section
- 215 73-18c-102;
- 216 (c) a certificate of the state treasurer issued under Section 73-18c-305; or
- 217 (d) a certificate of self-funded coverage issued under Section 73-18c-306.

218 Section 7. Section **73-18c-101** is amended to read:

219 **CHAPTER 18c. FINANCIAL RESPONSIBILITY OF MOTORBOAT**

220 **OWNERS AND OPERATORS ACT**

221 **73-18c-101. Title.**

222 This chapter [~~may be cited~~] is known as the "Financial Responsibility of [~~Personal~~

223 ~~Watercraft~~] Motorboat Owners and Operators Act."

224 Section 8. Section **73-18c-102** is amended to read:

225 **73-18c-102. Definitions.**

226 As used in this chapter:

227 (1) "Board" means the Board of Parks and Recreation.

228 (2) "Division" means the Division of Parks and Recreation.

229 (3) "Judgment" means any judgment that is final by:

230 (a) expiration without appeal of the time within which an appeal might have been

231 perfected; or

232 (b) final affirmation on appeal, rendered by a court of competent jurisdiction of any

233 state or of the United States, upon a cause of action for damages:

234 (i) arising out of the ownership, maintenance, or use of any personal watercraft,

235 including damages for care and loss of services because of bodily injury to or death of any

236 person, or because of injury to or destruction of property including the loss of use of the

237 property; or

238 (ii) on a settlement agreement.

239 (4) (a) "Motorboat" has the same meaning as defined in Section 73-18-2.

240 (b) "Motorboat" includes personal watercraft ~~H~~→ **regardless of the manufacturer**

240a **listed horsepower** ←~~H~~ .

241 (c) "Motorboat" does not include a boat with a motor with a manufacturer listed

242 horsepower of 50 horsepower or less.



243            [~~(4)~~] (5) "Nonresident" means any person who is not a resident of Utah.

244            [~~(5)~~] (6) "Operator" means the person who is in control of a [~~personal watercraft~~]  
245 motorboat while it is in use.

246            [~~(6)~~] (7) (a) "Owner" means a person, other than a lien holder, holding a proprietary  
247 interest in or the title to a [~~personal watercraft~~] motorboat.

248            (b) "Owner" includes a person entitled to the use or possession of a [~~personal~~  
249 ~~watercraft~~] motorboat subject to an interest by another person, reserved or created by  
250 agreement and securing payment or performance of an obligation.

251            (c) "Owner" does not include a lessee under a lease not intended as security.

252            [~~(7)~~] (8) "Owner's or operator's security," "owner's security," or "operator's security"  
253 means any of the following:

254            (a) an insurance policy or combination of policies conforming to Sections  
255 31A-22-1502 and 31A-22-1503, which is issued by an insurer authorized to do business in  
256 Utah;

257            (b) a surety bond issued by an insurer authorized to do a surety business in Utah in  
258 which the surety is subject to the minimum coverage limits and other requirements of policies  
259 conforming to Sections 31A-22-1502 and 31A-22-1503, which names the division as a creditor  
260 under the bond for the use of persons entitled to the proceeds of the bond;

261            (c) a deposit with the state treasurer of cash or securities complying with Section  
262 73-18c-305;

263            (d) a certificate of self-funded coverage issued under Section 73-18c-306; or

264            (e) a policy conforming to Sections 31A-22-1502 and 31A-22-1503 issued by the Risk  
265 Management Fund created in Section 63A-4-201.

266            [~~(8)~~] (9) "Personal watercraft" has the same meaning as provided in Section 73-18-2.

267            [~~(9)~~] (10) "Registration" means the issuance of the registration cards and decals issued  
268 under the laws of Utah pertaining to the registration of [~~personal watercraft~~] motorboats.

269            [~~(10)~~] (11) "Registration materials" means the evidences of [~~personal watercraft~~]  
270 motorboat registration, including all registration cards and decals.

271            [~~(11)~~] (12) "Self-insurance" has the same meaning as provided in Section 31A-1-301.

272            [~~(12)~~] (13) "Waters of the state" means any waters within the territorial limits of this  
273 state.

274 Section 9. Section **73-18c-301** is amended to read:

275 **73-18c-301. Requirement of owner's or operator's security.**

276 (1) Each resident owner of a [~~personal watercraft~~] motorboat shall maintain owner's or  
277 operator's security in effect at any time that the [~~personal watercraft~~] motorboat is operated on  
278 waters of the state.

279 (2) Each nonresident owner of a [~~personal watercraft~~] motorboat that has been  
280 physically present in this state for 90 or fewer days during the preceding 365 days shall  
281 maintain the type and amount of owner's or operator's security required in his or her place of  
282 residence at any time the [~~personal watercraft~~] motorboat is operated on waters of the state.

283 (3) Each nonresident owner of a [~~personal watercraft~~] motorboat that has been  
284 physically present in this state more than 90 days during the preceding 365 days shall thereafter  
285 maintain owner's or operator's security in effect at any time the [~~personal watercraft~~] motorboat  
286 is operated on waters of the state.

287 (4) The state and each of its political subdivisions and their respective departments,  
288 institutions, or agencies shall maintain owner's or operator's security in effect at any time their  
289 [~~personal watercraft~~] motorboats are operated on waters of the state.

290 (5) Any other state is considered a nonresident owner of its [~~personal watercraft~~]  
291 motorboat and is subject to Subsection (2) or (3).

292 (6) The United States, any political subdivision of it, or any of its agencies may  
293 maintain owner's or operator's security in effect for their [~~personal watercraft~~] motorboats.

294 Section 10. Section **73-18c-302** is amended to read:

295 **73-18c-302. Operating a motorboat without owner's or operator's security --**  
296 **Penalty.**

297 (1) Any owner of a [~~personal watercraft~~] motorboat on which owner's or operator's  
298 security is required under Section 73-18c-301, who operates the [~~personal watercraft~~]  
299 motorboat or permits it to be operated on waters of the state without owner's security being in  
300 effect is guilty of a class B misdemeanor.

301 (2) Any other person who operates a [~~personal watercraft~~] motorboat upon waters of  
302 the state with the knowledge that the owner does not have owner's security in effect for the  
303 [~~personal watercraft~~] motorboat is also guilty of a class B misdemeanor, unless that person has  
304 in effect owner's or operator's security on a Utah-registered [~~personal watercraft~~] motorboat or

305 its equivalent that covers the operation, by him or her, of the [~~personal watercraft~~] motorboat in  
306 question.

307 Section 11. Section **73-18c-303** is amended to read:

308 **73-18c-303. Condition to obtaining registration.**

309 The owner of a [~~personal watercraft~~] motorboat required to maintain owner's security  
310 under Section 73-18c-301 shall be required to swear or affirm, in writing, that he or she has  
311 owner's security in effect at the time of registering the [~~personal watercraft~~] motorboat.

312 Section 12. Section **73-18c-304** is amended to read:

313 **73-18c-304. Evidence of owner's or operator's security to be carried when**  
314 **operating a motorboat -- Defense -- Penalties.**

315 (1) (a) (i) Except as provided in Subsection (1)(a)(ii), a person operating a [~~personal~~  
316 ~~watercraft~~] motorboat shall:

317 (A) have in the person's immediate possession evidence of owner's or operator's  
318 security for the [~~personal watercraft~~] motorboat the person is operating; and

319 (B) display it upon demand of a peace officer.

320 (ii) A person operating a government-owned or government-leased [~~personal~~  
321 ~~watercraft~~] motorboat is exempt from the requirements of Subsection (1)(a)(i).

322 (b) Evidence of owner's or operator's security includes any one of the following:

323 (i) the operator's:

324 (A) insurance policy;

325 (B) binder notice;

326 (C) renewal notice; or

327 (D) card issued by an insurance company as evidence of insurance;

328 (ii) a copy of a surety bond, certified by the surety, which conforms to Section  
329 73-18c-102;

330 (iii) a certificate of the state treasurer issued under Section 73-18c-305; or

331 (iv) a certificate of self-funded coverage issued under Section 73-18c-306.

332 (2) It is an affirmative defense to a charge under this section that the person had  
333 owner's or operator's security in effect for the [~~personal watercraft~~] motorboat the person was  
334 operating at the time of the person's citation or arrest.

335 (3) (a) A letter from an insurance producer or company verifying that the person had

336 the required liability insurance coverage on the date specified is considered proof of owner's or  
 337 operator's security for purposes of Subsection (2).

338 (b) The court considering a citation issued under this section shall allow the letter  
 339 under Subsection (3)(a) and a copy of the citation to be faxed or mailed to the clerk of the court  
 340 to satisfy Subsection (2).

341 (4) A violation of this section is a class B misdemeanor.

342 (5) If a person is convicted of a violation of this section and if the person is the owner  
 343 of a [~~personal watercraft~~] motorboat, the court shall:

344 (a) require the person to surrender the person's registration materials to the court; and

345 (b) forward the registration materials, together with a copy of the conviction, to the  
 346 division.

347 (6) (a) Upon receiving notification from a court of a conviction for a violation of this  
 348 section, the division shall revoke the person's [~~personal watercraft~~] motorboat registration.

349 (b) Any registration revoked may not be renewed for a period of one year following the  
 350 date of revocation.

351 Section 13. Section **73-18c-306** is amended to read:

352 **73-18c-306. Certificate of self-funded coverage as proof of owner's or operator's**  
 353 **security.**

354 (1) The division may, upon the application of any person, issue a certificate of  
 355 self-funded coverage when it is satisfied that the person has:

356 (a) more than 24 [~~personal watercraft~~] motorboats; and

357 (b) ~~Ĥ→~~ [~~deposits~~] on deposit ~~←Ĥ~~, in a form approved by the division, ~~Ĥ→~~ cash or ~~←Ĥ~~  
 357a securities in an amount of \$200,000

358 plus \$100 for each [~~personal watercraft~~] motorboat up to and including 1,000 [~~personal~~  
 359 ~~watercraft~~] motorboats and \$50 for each [~~personal watercraft~~] motorboat over 1,000 [~~personal~~  
 360 ~~watercraft~~] motorboats.

361 (2) Persons holding a certificate of self-funded coverage under this chapter shall pay  
 362 benefits to persons injured from the self-funded person's operation, maintenance, and use of  
 363 [~~personal watercraft~~] motorboats as would an insurer issuing a policy to the self-funded person  
 364 containing the coverages under Sections 31A-22-1502 and 31A-22-1503.

365 (3) In accordance with Title 63, Chapter 46b, Administrative Procedures Act, the  
 366 division may, upon reasonable grounds, cancel the certificate. Failure to pay any judgment up

367 to the limit under Subsection 31A-22-1503(2) within 30 days after the judgment is final is a  
368 reasonable ground to cancel the certificate.

369 (4) Any government entity with self-funded coverage for government-owned [~~personal~~  
370 ~~watercraft~~] motorboats under Title 63, Chapter [~~30, Utah~~] 30d, Governmental Immunity Act of  
371 Utah, meets the requirements of this section.

372 Section 14. Section **73-18c-307** is amended to read:

373 **73-18c-307. Claims adjustment by persons with owner's or operator's security**  
374 **other than insurance.**

375 (1) An owner or operator of a [~~personal watercraft~~] motorboat who maintains owner's  
376 or operator's security by a means other than an insurance policy under Section 73-18c-102,  
377 shall refer all bodily injury claims against the owner's or operator's security to an independent  
378 adjuster licensed under Title 31A, Chapter 26, Insurance Adjusters, or to an attorney.

379 (2) Unless otherwise provided by contract, any [~~personal watercraft~~] motorboat claim  
380 adjustment expense incurred by a person maintaining owner's or operator's security by a means  
381 other than an insurance policy under Section 73-18c-102, shall be paid by the person who  
382 maintains this type of owner's or operator's security.

383 (3) Owners and operators of [~~personal watercraft~~] motorboats maintaining owner's or  
384 operator's security by a means other than an insurance policy under Section 73-18c-102 are  
385 subject to the claim adjustment provisions of Title 31A, Chapter 26, Part 3, Claim Practices, in  
386 connection with claims against persons which arise out of the ownership, maintenance, or use  
387 of a [~~personal watercraft~~] motorboat.