

**MOTORBOAT LIABILITY INSURANCE**

**AMENDMENTS**

2006 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Kerry W. Gibson**

Senate Sponsor: Curtis S. Bramble

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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 owner's or operator's security requirement for motorboats;
- ▶ provides minimum limits for a motorboat liability coverage policy; and

30           ▶ makes technical changes.

31 **Monies Appropriated in this Bill:**

32           None

33 **Other Special Clauses:**

34           None

35 **Utah Code Sections Affected:**

36 AMENDS:

37           **31A-22-315**, as last amended by Chapter 90, Laws of Utah 2004

38           **31A-22-1501**, as enacted by Chapter 348, Laws of Utah 1997

39           **31A-22-1502**, as enacted by Chapter 348, Laws of Utah 1997

40           **31A-22-1503**, as enacted by Chapter 348, Laws of Utah 1997

41           **31A-22-1504**, as enacted by Chapter 348, Laws of Utah 1997

42           **73-18-13.5**, as enacted by Chapter 348, Laws of Utah 1997

43           **73-18c-101**, as enacted by Chapter 348, Laws of Utah 1997

44           **73-18c-102**, as enacted by Chapter 348, Laws of Utah 1997

45           **73-18c-301**, as enacted by Chapter 348, Laws of Utah 1997

46           **73-18c-302**, as enacted by Chapter 348, Laws of Utah 1997

47           **73-18c-303**, as enacted by Chapter 348, Laws of Utah 1997

48           **73-18c-304**, as last amended by Chapter 298, Laws of Utah 2003

49           **73-18c-306**, as last amended by Chapter 102, Laws of Utah 2005

50           **73-18c-307**, as last amended by Chapter 90, Laws of Utah 2004



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

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

54           **31A-22-315. Motor vehicle insurance reporting -- Penalty.**

55           (1) (a) Each insurer that issues a policy that includes motor vehicle liability coverage,  
56 uninsured motorist coverage, underinsured motorist coverage, or personal injury coverage  
57 under this part shall before the seventh day of each calendar month provide to the Department

58 of Public Safety's designated agent selected in accordance with Title 41, Chapter 12a, Part 8,  
59 Uninsured Motorist Identification Database Program, a record of each motor vehicle insurance  
60 policy in effect for vehicles registered or garaged in Utah as of the previous month that was  
61 issued by the insurer.

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

63 (2) The record shall include:

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

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

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

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

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

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

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

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

78 **31A-22-1501. Definitions.**

79 As used in this part:

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

81 [~~(4) "Personal watercraft"~~] (2) "Motorboat business" means a [~~personal watercraft~~]  
82 motorboat sales agency, repair shop, service station, storage garage, or public marina.

83 [~~(1)~~] (3) "Operator" has the same meaning as under Section 73-18c-102.

84 [~~(2)~~] (4) "Owner" has the same meaning as under Section 73-18c-102.

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

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

88 (6) "Renter" means any person or organization obtaining the use of a [~~personal~~  
89 ~~watercraft~~] motorboat from a rental company under the terms of a rental agreement.

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

91 **31A-22-1502. Motorboat liability coverage.**

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

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

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

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

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

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

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

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

113 (c) except as provided in Subsection (7), insure persons related to the named insured by

114 blood, marriage, adoption, or guardianship who are residents of the named insured's household,  
115 including those who usually make their home in the same household but temporarily live  
116 elsewhere, to the same extent as the named insured.

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

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

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

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

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

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

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

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

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

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

142 Section 31A-22-1503.

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

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

150 (b) If the defense of lack of cooperation is not effective against the claimant, after  
151 payment, the insurer is subrogated to the injured person's claim against the insured to the extent  
152 of the payment and is entitled to reimbursement by the insured after the injured third person has  
153 been made whole with respect to the claim against the insured.

154 (7) A policy of [~~personal watercraft~~] motorboat liability coverage may specifically  
155 exclude from coverage a person who is a resident of the named insured's household, including  
156 a person who usually makes his or her home in the same household but temporarily lives  
157 elsewhere, if each person excluded from coverage satisfies the owner's or operator's security  
158 requirement of Section [~~73-18c-101~~] 78-18c-301, independently of the named insured's proof  
159 of owner's or operator's security.

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

161 **31A-22-1503. Motorboat liability policy minimum limits.**

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

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

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

169 (c) in the amount of \$15,000 because of liability for injury to, or destruction of,

170 property of others arising out of the use of a [~~personal watercraft~~] motorboat in any one  
171 accident; or

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

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

175 **31A-22-1504. Mandatory coverage.**

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

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

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

181 **73-18-13.5. Motorboat accidents -- Investigation and report of operator security**  
182 **-- Agency action if no security -- Surrender of registration materials.**

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

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

188 (a) the information provided by the operator;

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

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

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

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

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

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

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

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

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

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

210 (a) the operator's:

211 (i) insurance policy;

212 (ii) binder notice;

213 (iii) renewal notice; or

214 (iv) card issued by an insurance company as evidence of insurance;

215 (b) a copy of a surety bond, certified by the surety, which conforms to Section  
216 73-18c-102;

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

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

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

220 **CHAPTER 18c. FINANCIAL RESPONSIBILITY OF MOTORBOAT**  
221 **OWNERS AND OPERATORS ACT**

222 **73-18c-101. Title.**

223 This chapter [~~may be cited~~] is known as the "Financial Responsibility of [~~Personal~~  
224 ~~Watercraft~~] Motorboat Owners and Operators Act."

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



226 **73-18c-102. Definitions.**

227 As used in this chapter:

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

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

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

231 (a) expiration without appeal of the time within which an appeal might have been  
232 perfected; or

233 (b) final affirmation on appeal, rendered by a court of competent jurisdiction of any  
234 state or of the United States, upon a cause of action for damages:

235 (i) arising out of the ownership, maintenance, or use of any personal watercraft,  
236 including damages for care and loss of services because of bodily injury to or death of any  
237 person, or because of injury to or destruction of property including the loss of use of the  
238 property; or

239 (ii) on a settlement agreement.

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

241 (b) "Motorboat" includes personal watercraft regardless of the manufacturer listed  
242 horsepower.

243 (c) "Motorboat" does not include a boat with a manufacturer listed horsepower of 50  
244 horsepower or less.

245 ~~[(4)]~~ (5) "Nonresident" means any person who is not a resident of Utah.

246 ~~[(5)]~~ (6) "Operator" means the person who is in control of a ~~[personal watercraft]~~  
247 motorboat while it is in use.

248 ~~[(6)]~~ (7) (a) "Owner" means a person, other than a lien holder, holding a proprietary  
249 interest in or the title to a ~~[personal watercraft]~~ motorboat.

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

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

254           ~~[(7)]~~ (8) "Owner's or operator's security," "owner's security," or "operator's security"  
255 means any of the following:

256           (a) an insurance policy or combination of policies conforming to Sections  
257 31A-22-1502 and 31A-22-1503, which is issued by an insurer authorized to do business in  
258 Utah;

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

263           (c) a deposit with the state treasurer of cash or securities complying with Section  
264 73-18c-305;

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

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

268           ~~[(8)]~~ (9) "Personal watercraft" has the same meaning as provided in Section 73-18-2.

269           ~~[(9)]~~ (10) "Registration" means the issuance of the registration cards and decals issued  
270 under the laws of Utah pertaining to the registration of ~~[personal watercraft]~~ motorboats.

271           ~~[(10)]~~ (11) "Registration materials" means the evidences of ~~[personal watercraft]~~  
272 motorboat registration, including all registration cards and decals.

273           ~~[(11)]~~ (12) "Self-insurance" has the same meaning as provided in Section 31A-1-301.

274           ~~[(12)]~~ (13) "Waters of the state" means any waters within the territorial limits of this  
275 state.

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

277           **73-18c-301. Requirement of owner's or operator's security.**

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

281           (2) Each nonresident owner of a ~~[personal watercraft]~~ motorboat that has been

282 physically present in this state for 90 or fewer days during the preceding 365 days shall  
283 maintain the type and amount of owner's or operator's security required in his or her place of  
284 residence at any time the [~~personal watercraft~~] motorboat is operated on waters of the state.

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

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

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

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

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

297 **73-18c-302. Operating motorboats without owner's or operator's security --**  
298 **Penalty.**

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

303 (2) Any other person who operates a [~~personal watercraft~~] motorboat upon waters of  
304 the state with the knowledge that the owner does not have owner's security in effect for the  
305 [~~personal watercraft~~] motorboat is also guilty of a class B misdemeanor, unless that person has  
306 in effect owner's or operator's security on a Utah-registered [~~personal watercraft~~] motorboat or  
307 its equivalent that covers the operation, by him or her, of the [~~personal watercraft~~] motorboat in  
308 question.

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

310 **73-18c-303. Condition to obtaining registration.**

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

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

315 **73-18c-304. Evidence of owner's or operator's security to be carried when**  
316 **operating motorboat -- Defense -- Penalties.**

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

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

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

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

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

325 (i) the operator's:

326 (A) insurance policy;

327 (B) binder notice;

328 (C) renewal notice; or

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

330 (ii) a copy of a surety bond, certified by the surety, which conforms to Section  
331 73-18c-102;

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

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

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

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

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

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

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

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

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

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

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

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

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

354 **73-18c-306. Certificate of self-funded coverage as proof of owner's or operator's**  
355 **security.**

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

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

359 (b) [~~deposits~~] on deposit, in a form approved by the division, cash or securities in an  
360 amount of \$200,000 plus \$100 for each [~~personal watercraft~~] motorboat up to and including  
361 1,000 [~~personal watercraft~~] motorboats and \$50 for each [~~personal watercraft~~] motorboat over  
362 1,000 [~~personal watercraft~~] motorboats.

363 (2) Persons holding a certificate of self-funded coverage under this chapter shall pay  
364 benefits to persons injured from the self-funded person's operation, maintenance, and use of  
365 [~~personal watercraft~~] motorboats as would an insurer issuing a policy to the self-funded person

366 containing the coverages under Sections 31A-22-1502 and 31A-22-1503.

367 (3) In accordance with Title 63, Chapter 46b, Administrative Procedures Act, the  
368 division may, upon reasonable grounds, cancel the certificate. Failure to pay any judgment up  
369 to the limit under Subsection 31A-22-1503(2) within 30 days after the judgment is final is a  
370 reasonable ground to cancel the certificate.

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

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

375 **73-18c-307. Claims adjustment by persons with owner's or operator's security**  
376 **other than insurance.**

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

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

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