



## Harbors and Navigation Code

### **Article 2.9. Accident Liability Protection for Vessels**

#### **759.**

For purposes of this article, the following provisions shall apply:

- (a) "Company" means any company, sole proprietorship, firm, partnership, private, municipal, or public corporation, limited liability company, association, joint stock association, or other similar organization.
- (b) "Division" means the Division of Boating and Waterways.
- (c) "For-hire vessel" includes any vessel, by whatsoever power operated, carrying passengers for hire, except a seaplane on the water and vessels exempt from taxation under Section 3 of Article XIII of the California Constitution.
- (d) "For-hire vessel company" means any company owning, controlling, operating, or managing a for-hire vessel for the transportation of persons or property for compensation in this state, except a common carrier by vessel as defined in subdivision (b) of Section 211 of the Public Utilities Code.

#### **759.2.**

The division shall require every for-hire vessel company to procure and continue in effect so long as the for-hire vessel company continues to offer its services for compensation, adequate protection against liability imposed by law upon a for-hire vessel company for the payment of damages for personal bodily injuries, including death resulting from those services, and property damage as a result of an accident.

#### **759.4.**

The division shall, after a public hearing, set the amount of liability insurance, required by Section 759.2, that is reasonably necessary to provide adequate compensation for damage incurred through an accident involving a for-hire vessel company. This amount shall be subject to periodic adjustment pursuant to the process described in this article.

#### **759.6.**

The protection required under Section 759.2 shall be evidenced by deposit with the division, covering each vessel used or to be used in for-hire vessel operations for compensation, of any of the following:

- (a) A policy of insurance, issued by a company licensed to write such insurance in the state, or by nonadmitted insurers subject to Section 1763 of the Insurance Code, if those policies meet the rules promulgated by the department.
- (b) A bond of a surety company licensed to write surety bonds in the state.
- (c) Any evidence of the qualification of the for-hire vessel company as a self-insurer as may be authorized by the department.

**759.8.**

With the consent of the division, a copy of an insurance policy, certified by the company issuing it to be a true copy of the original policy, or a photostatic copy thereof, or an abstract of the provisions of the policy, or a certificate of insurance issued by the company issuing the policy, may be filed with the division in lieu of the original or a duplicate or counterpart of the policy.

**759.10.**

The protection against liability shall be continued in effect so long as the for-hire vessel company continues to offer its services for compensation. The policy of insurance or surety bond shall not be cancelable on less than 30 days' written notice to the department, except in the event of cessation of operations as a for-hire vessel company.

**759.12.**

The division may establish rules as are necessary to enforce this article.

**759.14.**

Any for-hire vessel company that knowingly refuses or fails to procure protection against liability, as required by Section 759.2, is guilty of a misdemeanor.

**759.16.**

Following an administrative hearing, the division may impose a penalty of not less than fifty dollars (\$50) nor more than one thousand dollars (\$1,000) upon any for-hire vessel company that violates any provision of this article or that fails to obey, observe, or comply with any rule established by the division pursuant to Section 759.12.

**759.18.**

(a) Upon filing of the evidence of liability protection pursuant to Section 759.2, the division shall provide a certificate of filing to the for-hire vessel company. The certificate shall be no larger than 8 ½ by 11 inches in size. The for-hire vessel company shall post the certificate of filing on the vessel in a prominent location that is visible to the passengers.

(b) A certificate that has been canceled, suspended, or revoked, or that is not valid, shall not be posted on a vessel.

**759.20.**

Upon receiving notification of impending cancellation of liability protection pertaining to a for-hire vessel company, the department shall, effective upon the date of the cancellation, revoke the certificate provided to the company pursuant to Section 759.18 and shall notify the company of this revocation. The company shall return the revoked certificate to the division.

**759.22.**

Rules and regulations adopted by the Public Utilities Commission pursuant to its prior authority over insurance of for-hire vessel companies shall remain in effect until revised or repealed by the division.

**759.24.**

This article shall become operative on July 1, 2018.