STATE OF NEW YORK

8775

2019-2020 Regular Sessions

IN ASSEMBLY

November 25, 2019

Introduced by M. of A. STEC -- read once and referred to the Committee on Insurance

AN ACT to amend the navigation law, in relation to requiring certain policies of insurance for public vessels which carry passengers

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Section 50 of the navigation law, as amended by chapter 672 of the laws of 1962, is amended to read as follows:

§ 50. Owners to notify inspector and apply for inspection. It shall be the duty of the owner of a public vessel which he intends to operate on the navigable waters of the state to notify the inspector of such intention at least one month before it is desired to place the vessel in operation and to request an inspection of such vessel. Upon receipt of such notification the inspector shall enter the application on the records of his office. A temporary permit to operate such vessel pending inspection may be issued by the inspector, if he finds through documentary evidence that such vessel is properly equipped and manned for the safety of life and property. No public vessel shall be used or operated without a certificate of inspection or a temporary permit as [~~herein~~] provided **in this section**. **No certificate of inspection or temporary permit shall be issued unless the owner of a public vessel produces proof of insurance to the inspector in accordance with section fifty-one of this part.**

§ 2. The navigation law is amended by adding two new sections 51 and 52 to read as follows:

§ 51. Liability insurance on public vessels. 1. Every public vessel certified to carry passengers which is operated on the navigable waters of the state, except vessels which navigate on waters which the United States exercises active control, shall be covered by a corporate surety bond or a policy of protection and indemnity insurance, issued by an insurer authorized to issue policies in this state pursuant to the

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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insurance law. Public vessels certified by the office of parks, recreation and historic preservation to carry passengers shall provide coverage of at least one million dollars per occurrence for injury to or death of any person arising out of the negligent operation of said public vessel.

Every such bond or insurance policy shall contain a provision for a continuing liability thereunder, notwithstanding any recovery thereon, and shall be in full force and effect whenever the public vessel is underway.

2. No policy or contract shall be issued or delivered in this state pursuant to this section unless it contains in substance the provisions of section three hundred twenty of the insurance law.

3. Proof of bond or insurance required by this section shall be produced and displayed by the owner or operator of such public vessel upon the request of any person having authority to enforce the provisions of this chapter. The failure to produce such proof upon the request of any such person shall not be an offense but shall be presumptive evidence that the public vessel is being operated without having such bond or insurance in force and effect.

4. No owner of a public vessel shall operate or permit the same to be operated upon the navigable waters of this state without having in full force and effect the liability insurance coverage required by this section, and no person shall operate a public vessel upon the navigable waters of this state with knowledge that such insurance is not in full force and effect.

5. Operation of a public vessel in violation of the requirements of this section shall be punishable as a misdemeanor in accordance with section seventy-three-b of this article.

§ 52. Self-insurers. The commissioner may, in his or her discretion, upon the application of an owner of a public vessel to have such public vessel certified, issue a certificate of self-insurance when he or she is reasonably satisfied that such person is possessed and will continue to be possessed of the financial ability to respond to judgments obtained against such person, arising out of the ownership, maintenance, use or operation of any such person's public vessel. Upon due notice and hearing, the commissioner may, in his or her discretion and upon reasonable grounds, cancel a certificate of self-insurance.

§ 3. This act shall take effect on the ninetieth day after it shall have become a law.