

462A.5A Filing bond as assurance of ownership.

An applicant for registration of a vessel for which the county recorder is not satisfied as to the ownership of the vessel as provided in section 462A.5, subsection 1, shall file with the department a bond in the form prescribed by the department and executed by the applicant, and also executed by a person authorized to conduct a surety business in this state. The form and amount of the bond shall be established by rule of the department. The bond shall be conditioned to indemnify any prior owner and secured party and any subsequent purchaser of the vessel or person acquiring any security interest in the vessel, and their respective successors in interest, against any expense, loss, or damage, including reasonable attorney fees, by reason of the issuance of the registration certificate of the vessel or on account of any defect in or undisclosed security interest upon the right, title, and interest of the applicant in and to the vessel. Any such interested person has a right of action to recover on the bond for any breach of its conditions, but the aggregate liability of the surety to all persons shall not exceed the amount of the bond. The bond shall be returned at the end of three years or prior thereto if the vessel is no longer registered in this state and the registration certificate is surrendered to the department, unless the department has been notified of the pendency of an action to recover on the bond.

2002 Acts, ch 1113, §10