

RENTAL CAR AMENDMENTS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Curtis S. Bramble

House Sponsor: _____

LONG TITLE

General Description:

This bill enacts provisions regarding vehicle rentals and establishes requirements for private vehicle rentals.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ establishes requirements for a vehicle rental transaction;
- ▶ establishes operational requirements for a private vehicle rental program provider

(program provider), including requirements:

- for motor vehicles for which the program provider may facilitate rentals;
- regarding equipment installation, operation, and maintenance;
- regarding the keeping of records; and
- regarding disclosures;
- ▶ provides insurance requirements for a private vehicle rental program provider;
- ▶ prohibits an insurer from cancelling or failing to renew a policy solely based on participation in a private vehicle rental, except under certain circumstances; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:



28 None

29 **Utah Code Sections Affected:**

30 AMENDS:

31 **31A-21-303**, as last amended by Laws of Utah 2015, Chapter 385

32 **31A-21-311**, as last amended by Laws of Utah 2003, Chapter 252

33 **41-1a-214**, as last amended by Laws of Utah 2018, Chapter 375

34 **41-12a-303.2**, as last amended by Laws of Utah 2018, Chapters 30 and 160

35 ENACTS:

36 **13-48a-101**, Utah Code Annotated 1953

37 **13-48a-102**, Utah Code Annotated 1953

38 **13-48a-201**, Utah Code Annotated 1953

39 **13-48b-101**, Utah Code Annotated 1953

40 **13-48b-102**, Utah Code Annotated 1953

41 **13-48b-201**, Utah Code Annotated 1953

42 **13-48b-202**, Utah Code Annotated 1953

43 **13-48b-203**, Utah Code Annotated 1953

44 **13-48b-204**, Utah Code Annotated 1953

45 **13-48b-301**, Utah Code Annotated 1953

46 **13-48b-302**, Utah Code Annotated 1953

47 **31A-22-323**, Utah Code Annotated 1953

48 **31A-22-324**, Utah Code Annotated 1953

49 **31A-22-325**, Utah Code Annotated 1953



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

52 Section 1. Section **13-48a-101** is enacted to read:

53 **CHAPTER 48a. MOTOR VEHICLE RENTAL ACT**

54 **Part 1. General Provisions**

55 **13-48a-101. Title.**

56 This chapter is known as "Motor Vehicle Rental Act."

57 Section 2. Section **13-48a-102** is enacted to read:

58 **13-48a-102. Definitions.**

59 As used in this chapter:

60 (1) "Motor vehicle" means the same as that term is defined in Section [13-48b-102](#).

61 (2) (a) "Motor vehicle rental company" means the same as that term is defined in
62 Section [13-48-102](#).

63 (b) "Motor vehicle rental company" does not include a private vehicle rental owner
64 who makes no more than three vehicles available for rent during a 12-month period through:

65 (i) a private vehicle rental program; or

66 (ii) any combination of private vehicle rental programs.

67 (3) "Private motor vehicle" means the same as that term is defined in Section
68 [13-48b-102](#).

69 (4) "Private vehicle rental" means the same as that term is defined in Section
70 [13-48b-102](#).

71 (5) "Private vehicle rental owner" or "owner" means the same as that term is defined in
72 Section [13-48b-102](#).

73 (6) "Private vehicle rental program" or "rental program" means the same as that term is
74 defined in Section [13-48b-102](#).

75 (7) "Private vehicle rental program provider" or "provider" means the same as that term
76 is defined in Section [13-48b-102](#).

77 (8) "Private vehicle renter" or "renter" means the same as that term is defined in
78 Section [13-48b-102](#).

79 (9) "Vehicle rental transaction" means the transfer of possession of a motor vehicle:

80 (a) for consideration; and

81 (b) without the transfer of ownership of the motor vehicle.

82 Section 3. Section **13-48a-201** is enacted to read:

83 **Part 2. Requirements for Vehicle Rental Transactions**

84 **13-48a-201. Transaction requirements.**

85 (1) A vehicle rental transaction that a private vehicle rental program provider facilitates
86 is subject to all statutory and regulatory obligations for a private passenger motor vehicle rental
87 vehicle, transaction, or company, including compliance with:

88 (a) Title 13, Chapter 48, Motor Vehicle Rental Company Disclosure Act;

89 (b) Title 59, Chapter 12, Part 12, Motor Vehicle Rental Tax; and

90 (c) municipal, county, or local government regulation regarding a vehicle rental
91 transaction at an airport.

92 (2) (a) Any disclosure that a motor vehicle rental company is required to provide,
93 deliver, post, or otherwise make available is timely and effectively made when the motor
94 vehicle rental company provides the notice or disclosure electronically:

95 (i) at or before the time required; or

96 (ii) included in a member or master agreement in effect at the time of rental.

97 (b) For the purposes of this chapter, a master or member agreement includes any
98 service:

99 (i) a company offers that permits a customer to bypass a retail service location and
100 obtain a product or service directly;

101 (ii) where the rental company does not require the renter to execute a rental agreement
102 at the time of rental; or

103 (iii) where the renter does not receive the rental terms and conditions at the time of
104 rental.

105 (3) (a) Electronic or written acceptance is a valid form of acceptance of any disclosure.

106 (b) Acceptance remains effective until the renter affirmatively withdraws the
107 acceptance.

108 (4) A disclosure made in accordance with this chapter is exempt from any placement or
109 stylistic display requirements, including location, font size, typeset, or other specifically stated
110 description, if the disclosure is generally consistent in appearance with the entirety of the
111 communication in which the disclosure is contained.

112 (5) A motor vehicle rental company meets all obligation to physically inspect and
113 compare a renter's driver license, if:

114 (a) (i) the motor vehicle rental company facilitates the rental through digital, electronic,
115 or other means that allow a customer to obtain possession of a vehicle without in-person
116 contact with an agent or employee of the provider; or

117 (ii) the renter does not execute a rental contract at the time of rental; and

118 (b) (i) at the time a renter enrolls, or any time thereafter in a membership program,
119 master agreement, or other means of establishing use of the provider's services, requires
120 verification that the renter is a licensed driver; or

121 (ii) before to the renter takes possession of the rental vehicle, the provider requires
122 documentation that verifies the renter's identity.

123 Section 4. Section 13-48b-101 is enacted to read:

124 **CHAPTER 48b. PRIVATE VEHICLE RENTAL ACT**

125 **Part 1. General Provisions**

126 **13-48b-101. Title.**

127 This chapter is known as "Private Vehicle Rental Act."

128 Section 5. Section 13-48b-102 is enacted to read:

129 **13-48b-102. Definitions.**

130 As used in this chapter:

131 (1) (a) "Authorized driver" means the renter of a private motor vehicle.

132 (b) "Authorized driver" includes any individual the program provider authorizes to
133 drive the private motor vehicle in accordance with the program provider's rental agreement
134 with the renter.

135 (2) "Blanket insurance policy" means the same as that term is defined in Section
136 31A-1-301.

137 (3) "Motor vehicle" means a motor vehicle as defined in Section 41-1a-102 that:

138 (a) has a gross weight rating of 10,000 pounds or less;

139 (b) is not used for the commercial delivery of goods or materials; and

140 (c) is not used for the commercial transportation of goods or materials.

141 (4) "Motor vehicle rental company" means the same as that term is defined in Section
142 13-48a-102.

143 (5) (a) "Private motor vehicle" means a motor vehicle:

144 (i) owned by and registered to an individual; and

145 (ii) insured under a personal motor vehicle liability insurance policy, in accordance
146 with Title 41, Chapter 12a, Financial Responsibility of Motor Vehicle Owners and Operators
147 Act, insuring:

148 (A) the individual described in Subsection (5)(a)(i); or

149 (B) the individual described in Subsection (5)(a)(i) and individuals residing in the same
150 household as the individual.

151 (b) "Private motor vehicle" does not include a motor vehicle with fewer than four

152 wheels.

153 (6) "Private vehicle rental" means the use of a private motor vehicle:

154 (a) by a person other than the vehicle's registered owner; and

155 (b) in connection with a private vehicle rental program.

156 (7) "Private vehicle rental owner" or "owner" means the registered owner of a private
157 motor vehicle available for rent through a private vehicle rental program.

158 (8) "Private vehicle rental program" or "rental program" means any means, digital or
159 otherwise, through which a private vehicle rental program provider facilitates a private vehicle
160 rental.

161 (9) "Private vehicle rental program provider" or "program provider" means the person
162 who facilitates vehicle rental transactions through a private vehicle rental program.

163 (10) "Private vehicle renter" or "renter" means a person, other than the private vehicle
164 rental owner, who rents the owner's vehicle through a private vehicle rental program.

165 (11) "Program rental period" or "rental period" means the period of time:

166 (a) beginning when a renter or the program provider takes possession and control of a
167 vehicle available for private vehicle rental; and

168 (b) ending when:

169 (i) the vehicle is:

170 (A) retrieved by the owner or owner's designee;

171 (B) returned to a location agreed upon by the owner or the renter; or

172 (C) returned to a location designation by the program provider; and

173 (ii) (A) the time period established through the program expires;

174 (B) the renter verifiably communicates to the program provider or owner that the renter
175 deems the rental period terminated; or

176 (C) the owner or the program provider takes possession and control of the vehicle.

177 (12) "Rental agreement" means any written agreement stating the terms and conditions
178 governing the use of a private motor vehicle a program provider makes available for use
179 through a rental program.

180 (13) "Vehicle rental transaction" means the transfer of possession of a motor vehicle:

181 (a) for consideration; and

182 (b) without the transfer of ownership of the motor vehicle.

183 Section 6. Section 13-48b-201 is enacted to read:

184 **Part 2. Requirements for Private Vehicle Rental**

185 **13-48b-201. Facilitating a motor vehicle rental.**

186 For each motor vehicle for which a program provider facilitates a rental, the program
187 provider shall:

188 (1) require that the motor vehicle is a private motor vehicle;

189 (2) provide the motor vehicle owner with suitable proof of compliance with the
190 insurance requirements of this chapter; and

191 (3) require that the motor vehicle comply with the minimum financial responsibility
192 requirements of the state in which the vehicle is registered.

193 Section 7. Section 13-48b-202 is enacted to read:

194 **13-48b-202. Equipment -- Indemnification.**

195 A program provider shall:

196 (1) to the extent necessary for the motor vehicle to be used in a private vehicle rental,
197 facilitate the installation, operation, and maintenance of the program provider's own signage
198 and computer hardware and software in the motor vehicle; and

199 (2) indemnify and hold harmless the owner for:

200 (a) the cost of damage to, or theft of, equipment the program provider installs, operates,
201 and maintains under Subsection (1); and

202 (b) any damage the installation, operation, or maintenance of equipment described in
203 Subsection (1) causes to the motor vehicle.

204 Section 8. Section 13-48b-203 is enacted to read:

205 **13-48b-203. Records.**

206 A program provider shall collect, maintain, and make available, at the cost of the
207 program provider, to any government agency as required by law:

208 (1) information regarding an owner's primary motor vehicle liability insurer;

209 (2) information regarding a renter's primary motor vehicle, excess, or umbrella insurer;

210 and

211 (3) the following information pertaining to an incident that occurs during a rental
212 period:

213 (a) verifiable records of the rental period for the private motor vehicle enrolled in the

214 rental program that was involved in the incident;

215 (b) to the extent electronic equipment for monitoring the following information is

216 installed in the motor vehicle, verifiable electronic records of:

217 (i) the time in relation to initial and final locations; and

218 (ii) miles driven; and

219 (c) if an insurance claim is with a blanket insurer, information relevant to the claim,

220 including a program provider payment related to an accident, any damage, or an injury.

221 Section 9. Section **13-48b-204** is enacted to read:

222 **13-48b-204. Disclosure requirements.**

223 (1) Before a private motor vehicle is made available for use through a rental program, a

224 program provider shall disclose to the owner:

225 (a) a description of the insurance coverage the program provider provides under Part 3,

226 Insurance;

227 (b) that during a private vehicle rental, an owner's personal motor vehicle liability

228 insurer may exclude any and all coverage afforded to the personal motor vehicle liability

229 insurer's policy;

230 (c) that an owner's personal motor vehicle liability insurer has the right to notify an

231 insured that the personal motor vehicle liability insurer does not have a duty to defend or

232 indemnify a person for liability for loss that occurs during a private vehicle rental;

233 (d) that the program provider's blanket policy may not provide coverage outside of the

234 private vehicle rental;

235 (e) that, if the private motor vehicle the owner makes available for private vehicle

236 rental has a lien against the private motor vehicle, the owner is required to notify the lienholder

237 that the program provider is using the private motor vehicle to provide private vehicle rentals;

238 and

239 (f) that using a private motor vehicle against which there is a lien in a private vehicle

240 rental may violate the rental vehicle owner's contract with the lienholder.

241 (2) Before a renter's first operation of a private motor vehicle through a rental program,

242 the program provider shall disclose to the renter the information described in Subsections

243 (1)(b) through (d).

244 Section 10. Section **13-48b-301** is enacted to read:

245 **Part 3. Insurance**246 **13-48b-301. Insurance requirements.**

247 A program provider shall maintain a blanket insurance policy that, during a rental
248 period:

249 (1) covers, on a primary basis:

250 (a) an authorized driver;

251 (b) an occupant of the private motor vehicle; and

252 (c) the use of a private motor vehicle while in the custody of the program provider,
253 including use by an agent, employee, director, officer, or assignee of the program provider; and

254 (2) includes:

255 (a) liability coverage for a minimum of \$1,000,000 per occurrence;

256 (b) personal injury protection to the extent required under Sections [31A-22-306](#)

257 through [31A-22-309](#);

258 (c) uninsured motorist coverage in accordance with Section [31A-22-305](#); and

259 (d) underinsured motorist coverage in accordance with Section [31A-22-305.3](#).

260 Section 11. Section **13-48b-302** is enacted to read:

261 **13-48b-302. Coordination of insurance coverage -- Notification.**

262 (1) A blanket insurance policy described in Section [13-48b-301](#) is:

263 (a) primary with respect to any other insurance available to the owner; and

264 (b) secondary with respect to any other insurance available to the renter, authorized

265 driver, or occupant of the private motor vehicle.

266 (2) A program provider shall notify the owner's personal motor vehicle liability insurer

267 of a dispute described in Subsection [31A-22-325\(3\)](#) within 10 business days after the day on

268 which the program provider becomes aware of the dispute.

269 Section 12. Section **31A-21-303** is amended to read:

270 **31A-21-303. Cancellation, issuance, renewal.**

271 (1) (a) Except as otherwise provided in this section, other statutes, or by rule under

272 Subsection (1)(c), this section applies to all policies of insurance:

273 (i) except for:

274 (A) life insurance;

275 (B) accident and health insurance; and

276 (C) annuities; and
277 (ii) if the policies of insurance are issued on forms that are subject to filing under
278 Subsection 31A-21-201(1).

279 (b) A policy may provide terms more favorable to insureds than this section requires.
280 (c) The commissioner may by rule totally or partially exempt from this section classes
281 of insurance policies in which the insureds do not need protection against arbitrary or
282 unannounced termination.

283 (d) The rights provided by this section are in addition to and do not prejudice any other
284 rights the insureds may have at common law or under other statutes.

285 (2) (a) As used in this Subsection (2), "grounds" means:
286 (i) material misrepresentation;
287 (ii) substantial change in the risk assumed, unless the insurer should reasonably have
288 foreseen the change or contemplated the risk when entering into the contract;
289 (iii) substantial breaches of contractual duties, conditions, or warranties;
290 (iv) attainment of the age specified as the terminal age for coverage, in which case the
291 insurer may cancel by notice under Subsection (2)(c), accompanied by a tender of proportional
292 return of premium; or
293 (v) in the case of motor vehicle insurance, revocation or suspension of the driver's
294 license of:
295 (A) the named insured; or
296 (B) any other person who customarily drives the motor vehicle.

297 (b) (i) Except as provided in Subsection (2)(e) or unless the conditions of Subsection
298 (2)(b)(ii) are met, an insurance policy may not be canceled by the insurer before the earlier of:
299 (A) the expiration of the agreed term; or
300 (B) one year from the effective date of the policy or renewal.

301 (ii) Notwithstanding Subsection (2)(b)(i), an insurance policy may be canceled by the
302 insurer for:
303 (A) nonpayment of a premium when due; or
304 (B) subject to Subsection (2)(f), on grounds defined in Subsection (2)(a).

305 (c) (i) The cancellation provided by Subsection (2)(b), except cancellation for
306 nonpayment of premium, is effective no sooner than 30 days after the delivery or first-class

307 mailing of a written notice to the policyholder.

308 (ii) Cancellation for nonpayment of premium is effective no sooner than 10 days after
309 delivery or first class mailing of a written notice to the policyholder.

310 (d) (i) Notice of cancellation for nonpayment of premium shall include a statement of
311 the reason for cancellation.

312 (ii) Subsection (7) applies to the notice required for grounds of cancellation other than
313 nonpayment of premium.

314 (e) (i) Subsections (2)(a) through (d) do not apply to any insurance contract that has not
315 been previously renewed if the contract has been in effect less than 60 days when the written
316 notice of cancellation is mailed or delivered.

317 (ii) A cancellation under this Subsection (2)(e) may not be effective until at least 10
318 days after the delivery to the insured of a written notice of cancellation.

319 (iii) If the notice required by this Subsection (2)(e) is sent by first-class mail, postage
320 prepaid, to the insured at the insured's last-known address, delivery is considered accomplished
321 after the passing, since the mailing date, of the mailing time specified in the Utah Rules of
322 Civil Procedure.

323 (iv) A policy cancellation subject to this Subsection (2)(e) is not subject to the
324 procedures described in Subsection (7).

325 (f) In the case of motor vehicle insurance, an insurance policy may not be canceled
326 solely based on the participation of a motor vehicle that is covered by the motor vehicle
327 insurance policy in a private vehicle rental, as defined in Section 13-48b-102, unless:

328 (i) the motor vehicle owner, in combination with all individuals residing in the same
329 household as the motor vehicle owner, uses a private vehicle rental program, as defined in
330 Section 13-48b-102, or combination of rental programs, to rent or make available for rent,
331 more than four motor vehicles at one time; or

332 (ii) (A) the motor vehicle is enrolled in a usage-based insurance program as defined in
333 Subsection (2)(g); and

334 (B) immediately after cancellation of the policy the insurer offers the insured a new
335 policy with the same coverages and pre-existing rates, but without enrollment in the
336 usage-based insurance program as defined in Subsection (2)(g).

337 (g) As used in Subsections (2)(f) and (5)(a)(iv), "usage-based insurance program"

338 means motor vehicle insurance the terms of which permit the insurer to:

339 (i) electronically monitor acceleration, braking, miles driven, and other indicia of
340 driving behavior; and

341 (ii) determine costs based on the behavior observed under Subsection (2)(g)(i).

342 (3) A policy may be issued for a term longer than one year or for an indefinite term if
343 the policy includes a clause providing for cancellation by the insurer by giving notice as
344 provided in Subsection (4)(b)(i) 30 days prior to any anniversary date.

345 (4) (a) Subject to Subsections (2), (3), and (4)(b), a policyholder has a right to have the
346 policy renewed:

347 (i) on the terms then being applied by the insurer to similar risks; and

348 (ii) (A) for an additional period of time equivalent to the expiring term if the agreed
349 term is one year or less; or

350 (B) for one year if the agreed term is longer than one year.

351 (b) Except as provided in Subsections (4)(c) and (5), the right to renewal under
352 Subsection (4)(a) is extinguished if:

353 (i) at least 30 days before the policy expiration or anniversary date a notice of intention
354 not to renew the policy beyond the agreed expiration or anniversary date is delivered or sent by
355 first-class mail by the insurer to the policyholder at the policyholder's last-known address;

356 (ii) not more than 45 nor less than 14 days before the due date of the renewal premium,
357 the insurer delivers or sends by first-class mail a notice to the policyholder at the policyholder's
358 last-known address, clearly stating:

359 (A) the renewal premium;

360 (B) how the renewal premium may be paid, including the due date for payment of the
361 renewal premium;

362 (C) that failure to pay the renewal premium extinguishes the policyholder's right to
363 renewal; and

364 (D) subject to Subsection (4)(e), that the extinguishment of the right to renew for
365 nonpayment of premium is effective no sooner than at least 10 days after delivery or first class
366 mailing of a written notice to the policyholder that the policyholder has failed to pay the
367 premium when due;

368 (iii) the policyholder has:

- 369 (A) accepted replacement coverage; or
370 (B) requested or agreed to nonrenewal; or
371 (iv) the policy is expressly designated as nonrenewable.
- 372 (c) Unless the conditions of Subsection (4)(b)(iii) or (iv) apply, an insurer may not fail
373 to renew an insurance policy as a result of a telephone call or other inquiry that:
374 (i) references a policy coverage; and
375 (ii) does not result in the insured requesting payment of a claim.
- 376 (d) Failure to renew under this Subsection (4) is subject to Subsection (5).
377 (e) (i) During the period that begins when the notice described in Subsection
378 (4)(b)(ii)(D) is delivered or mailed and ends when the premium is paid, coverage exists and
379 premiums are due.
380 (ii) If after receiving the notice required by Subsection (4)(b)(ii)(D) a policyholder fails
381 to pay the renewal premium, the coverage is extinguished as of the date the renewal premium is
382 originally due.
383 (iii) Delivery of the notice required by Subsection (4)(b)(ii)(D) includes electronic
384 delivery in accordance with Section [31A-21-316](#).
385 (iv) An insurer is not subject to Subsection (4)(b)(ii)(D) if it provides notice of the
386 extinguishment of the right to renew for failure to pay premium at least 15 days, but no longer
387 than 45 days, before the day the renewal payment is due.
388 (v) Subsection (4)(b)(ii)(D) does not apply to a policy that provides coverage for 30
389 days or less.
- 390 (5) Notwithstanding Subsection (4), an insurer may not fail to renew the following
391 personal lines insurance policies solely on the basis of:
392 (a) in the case of a motor vehicle insurance policy:
393 (i) a claim from the insured that:
394 (A) results from an accident in which:
395 (I) the insured is not at fault; and
396 (II) the driver of the motor vehicle that is covered by the motor vehicle insurance
397 policy is 21 years of age or older; and
398 (B) is the only claim meeting the condition of Subsection (5)(a)(i)(A) within a
399 36-month period;

- 400 (ii) a single traffic violation by an insured that:
 - 401 (A) is a violation of a speed limit under Title 41, Chapter 6a, Traffic Code;
 - 402 (B) is not in excess of 10 miles per hour over the speed limit;
 - 403 (C) is not a traffic violation under:
 - 404 (I) Section [41-6a-601](#);
 - 405 (II) Section [41-6a-604](#); or
 - 406 (III) Section [41-6a-605](#);
 - 407 (D) is not a violation by an insured driver who is younger than 21 years of age; and
 - 408 (E) is the only violation meeting the conditions of Subsections (5)(a)(ii)(A) through
 - 409 (D) within a 36-month period; [~~or~~]
- 410 (iii) a claim for damage that:
 - 411 (A) results solely from:
 - 412 (I) wind;
 - 413 (II) hail;
 - 414 (III) lightning; or
 - 415 (IV) an earthquake;
 - 416 (B) is not preventable by the exercise of reasonable care; and
 - 417 (C) is the only claim meeting the conditions of Subsections (5)(a)(iii)(A) and (B)
 - 418 within a 36-month period; [~~and~~] or
 - 419 (iv) the owner of the motor vehicle covered by a motor vehicle insurance policy using
 - 420 the motor vehicle in a private vehicle rental, as defined in Section [13-48b-102](#), unless:
 - 421 (A) the vehicle is enrolled in a usage-based insurance program, as defined in
 - 422 Subsection (2)(g); and
 - 423 (B) immediately after cancellation of the policy the insurer offers the insured a new
 - 424 policy with the same coverages and pre-existing rates, but without enrollment in the
 - 425 usage-based insurance program; and
 - 426 (b) in the case of a homeowner's insurance policy, a claim by the insured that is for
 - 427 damage that:
 - 428 (i) results solely from:
 - 429 (A) wind;
 - 430 (B) hail; or

431 (C) lightning;
432 (ii) is not preventable by the exercise of reasonable care; and
433 (iii) is the only claim meeting the conditions of Subsections (5)(b)(i) and (ii) within a
434 36-month period.

435 (6) (a) (i) Subject to Subsection (6)(b), if the insurer offers or purports to renew the
436 policy, but on less favorable terms or at higher rates, the new terms or rates take effect on the
437 renewal date if the insurer delivered or sent by first-class mail to the policyholder notice of the
438 new terms or rates at least 30 days prior to the expiration date of the prior policy.

439 (ii) If the insurer did not give the prior notification described in Subsection (6)(a)(i) to
440 the policyholder, the new terms or rates do not take effect until 30 days after the notice is
441 delivered or sent by first-class mail, in which case the policyholder may elect to cancel the
442 renewal policy at any time during the 30-day period.

443 (iii) Return premiums or additional premium charges shall be calculated
444 proportionately on the basis that the old rates apply.

445 (b) Subsection (6)(a) does not apply if the only change in terms that is adverse to the
446 policyholder is:

447 (i) a rate increase generally applicable to the class of business to which the policy
448 belongs;

449 (ii) a rate increase resulting from a classification change based on the altered nature or
450 extent of the risk insured against; or

451 (iii) a policy form change made to make the form consistent with Utah law.

452 (7) (a) If a notice of cancellation or nonrenewal under Subsection (2)(c) does not state
453 with reasonable precision the facts on which the insurer's decision is based, the insurer shall
454 send by first-class mail or deliver that information within 10 working days after receipt of a
455 written request by the policyholder.

456 (b) A notice under Subsection (2)(c) is not effective unless it contains information
457 about the policyholder's right to make the request.

458 (8) (a) An insurer that gives a notice of nonrenewal or cancellation of insurance on a
459 motor vehicle insurance policy issued in accordance with the requirements of Chapter 22, Part
460 3, Motor Vehicle Insurance, for nonpayment of a premium shall provide notice of nonrenewal
461 or cancellation to a lienholder if the insurer has been provided the name and mailing address of

462 the lienholder.

463 (b) The notice described in Subsection (8)(a) shall be provided to the lienholder by first
464 class mail or, if agreed by the parties, any electronic means of communication.

465 (c) A lienholder shall provide a current physical address of notification or an electronic
466 address of notification to an insurer that is required to make a notification under Subsection
467 (8)(a).

468 (9) If a risk-sharing plan under Section 31A-2-214 exists for the kind of coverage
469 provided by the insurance being cancelled or nonrenewed, a notice of cancellation or
470 nonrenewal required under Subsection (2)(c) or (4)(b)(i) may not be effective unless it contains
471 instructions to the policyholder for applying for insurance through the available risk-sharing
472 plan.

473 (10) There is no liability on the part of, and no cause of action against, any insurer, its
474 authorized representatives, agents, employees, or any other person furnishing to the insurer
475 information relating to the reasons for cancellation or nonrenewal or for any statement made or
476 information given by them in complying or enabling the insurer to comply with this section
477 unless actual malice is proved by clear and convincing evidence.

478 (11) This section does not alter any common law right of contract rescission for
479 material misrepresentation.

480 (12) If a person is required to pay a premium in accordance with this section:

481 (a) the person may make the payment using:

482 (i) the United States Postal Service;

483 (ii) a delivery service the commissioner describes or designates by rule made in
484 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act; or

485 (iii) electronic means; and

486 (b) the payment is considered to be made:

487 (i) for a payment that is mailed using the method described in Subsection (12)(a)(i), on
488 the date the payment is postmarked;

489 (ii) for a payment that is delivered using the method described in Subsection (12)(a)(ii),
490 on the date the delivery service records or marks the payment as having been received by the
491 delivery service; or

492 (iii) for a payment that is made using the method described in Subsection (12)(a)(iii),

493 on the date the payment is made electronically.

494 Section 13. Section **31A-21-311** is amended to read:

495 **31A-21-311. Group and blanket insurance.**

496 (1) (a) (i) Except under Subsection (1)(d), an insurer issuing a group insurance policy
497 other than a blanket insurance policy shall, as soon as practicable after the coverage is
498 effective, provide a certificate for each member of the insured group, except that only one
499 certificate need be provided for the members of a family unit.

500 (ii) The certificate required by this Subsection (1) shall:

501 (A) provide the exact name of the insurer;

502 (B) state the state of domicile of the insurer; and

503 (C) contain a summary of the essential features of the insurance coverage, including:

504 (I) any rights of conversion to an individual policy;

505 (II) in the case of group life insurance, any continuation of coverage during total
506 disability; and

507 (III) in the case of group life insurance, the incontestability provision.

508 (iii) Upon receiving a written request, the insurer shall inform any insured how the
509 insured may inspect, during normal business hours at a place reasonably convenient to the
510 insured:

511 (A) a copy of the policy; or

512 (B) a summary of the policy containing all the details that are relevant to the certificate
513 holder.

514 (b) The commissioner may by rule impose a requirement similar to Subsection (1)(a)
515 on any class of blanket insurance policies for which the commissioner finds that the group of
516 persons covered is constant enough for that type of action to be practicable and not
517 unreasonably expensive.

518 (c) (i) A certificate shall be provided in a manner reasonably calculated to bring the
519 certificate to the attention of the certificate holder.

520 (ii) The insurer may deliver or mail a certificate:

521 (A) directly to the certificate holders; or

522 (B) in bulk to the policyholder to transmit to certificate holders.

523 (iii) An affidavit by the insurer that the insurer mailed the certificates in the usual

524 course of business creates a rebuttable presumption that the insurer has mailed the certificate
525 to:

526 (A) a certificate holder; or

527 (B) a policyholder as provided in Subsection (1)(c)(ii)(B).

528 (d) The commissioner may by rule or order prescribe substitutes for delivery or mailing
529 of certificates that are reasonably calculated to inform a certificate holder of the certificate
530 holder's rights, including:

531 (i) booklets describing the coverage;

532 (ii) the posting of notices in the place of business; or

533 (iii) publication in a house organ.

534 (2) Unless a certificate or an authorized substitute has been made available to the
535 certificate holder when required by this section, an act or omission forbidden to or required of
536 the certificate holder by the certificate after the coverage has become effective as to the
537 certificate holder, other than intentionally causing the loss insured against or failing to make
538 required contributory premium payments, may not affect the insurer's obligations under the
539 insurance contract.

540 (3) (a) As used in this Subsection (3):

541 (i) "Authorized driver" means the same as that term is defined in Section 13-48b-102.

542 (ii) "Private motor vehicle" means the same as that term is defined in Section
543 13-48b-102.

544 (iii) "Private vehicle rental program provider" or "program provider" means the same
545 as that term is defined in Section 13-48b-102.

546 (iv) "Program rental period" or "rental period" means the same as that term is defined
547 in Section 13-48b-102.

548 (b) A blanket insurance policy that a program provider maintains in accordance with
549 Section 13-48b-301 shall:

550 (i) identify the rental network company as the named insured;

551 (ii) include a provision that provides coverage, without prior notice to the insurer, for
552 all private motor vehicles during a rental period;

553 (iii) include a provision that claims will be adjusted in accordance with Section
554 31A-26-303; and

555 (iv) include a provision that the vehicles' authorized drivers and occupants are included
556 as insureds under the policy to the same extent that the authorized drivers and occupants would
557 be insureds under a private passenger motor vehicle policy.

558 Section 14. Section **31A-22-323** is enacted to read:

559 **31A-22-323. Definitions.**

560 As used in Sections 31A-22-324 and 31A-22-325:

561 (1) "Commercial vehicle" means the same as that term is defined in Section 41-1a-102.

562 (2) "Private motor vehicle" means the same as that term is defined in Section

563 13-48b-102.

564 (3) "Private vehicle rental" means the same as that term is defined in Section

565 13-48b-102.

566 (4) "Private vehicle rental owner" or "owner" means the same as that term is defined in

567 Section 13-48b-102.

568 (5) "Private vehicle rental program provider" or "program provider" means the same as

569 that term is defined in Section 13-48b-102.

570 (6) "Private vehicle renter" or "renter" means the same as that term is defined in

571 Section 13-48b-102.

572 (7) "Private vehicle rental program" or "rental program" means the same as that term is

573 defined in Section 13-48b-102.

574 (8) "Program rental period" or "rental period" means the same as that term is defined in

575 Section 13-48b-102.

576 Section 15. Section **31A-22-324** is enacted to read:

577 **31A-22-324. Participation in a private vehicle rental.**

578 (1) An insurer that issues a motor vehicle related insurance policy may:

579 (a) refuse coverage to an owner, if the owner, in combination with all individuals
580 residing in the same household as the owner, enrolls in a rental program, or a combination of
581 rental programs, more than four motor vehicles at one time; or

582 (b) during a private vehicle rental, exclude any and all coverage that may otherwise be
583 afforded to the owner under the personal motor vehicle liability insurer's policy.

584 (2) A motor vehicle required to be insured under Section 41-12a-301 is not a
585 commercial vehicle solely because the motor vehicle's owner makes the motor vehicle

586 available for rent through a rental program, unless:

587 (a) the private vehicle rental fails to comply with the requirements of a private vehicle
588 rental as described in Title 13, Chapter 48b, Private Vehicle Rental Act;

589 (b) the owner or the program provider knowingly places or allows to be placed into use
590 the private motor vehicle as a commercial vehicle during the private vehicle rental; or

591 (c) the owner, in combination with all individuals residing in the same household as
592 the owner, enrolls in a program, or combination of programs, more than four motor vehicles at
593 one time.

594 Section 16. Section **31A-22-325** is enacted to read:

595 **31A-22-325. Private vehicle rental liability.**

596 (1) Notwithstanding any other provision of law or any provision in an owner's personal
597 motor vehicle liability insurance policy, in the event of a loss or injury that occurs during the
598 rental period or while the private motor vehicle is under the control of a program provider, the
599 program provider is the owner of the vehicle under any statute that may impose liability upon
600 an owner of a private passenger motor vehicle solely based on ownership.

601 (2) A program provider shall retain liability described in Subsection (1) regardless of
602 any inadvertent lapse in the blanket policy under which the program provider is insured.

603 (3) An insurer providing blanket liability insurance to a program provider in
604 accordance with Section [13-48b-301](#) is liable for a claim in which a dispute exists regarding
605 the person that was in control of the vehicle when the loss occurred giving rise to the claim.

606 (4) If it is determined that an owner was in control of the private motor vehicle at the
607 time of a loss giving rise to a claim, the owner's personal motor vehicle liability insurer shall
608 indemnify the program provider's blanket insurer, to the extent of the personal motor vehicle
609 liability insurer's obligation under the applicable insurance policy.

610 (5) Subject to the provisions of Subsections (3) and (4), if an owner or the owner's
611 personal motor vehicle insurer is named as the defendant in a civil action for a loss or injury
612 that occurs during the rental period, the program provider's blanket liability insurance insurer
613 under Section [13-48b-301](#) has the duty to defend and indemnify the owner and owner's
614 personal motor vehicle liability insurer.

615 Section 17. Section **41-1a-214** is amended to read:

616 **41-1a-214. Registration card to be exhibited.**

617 (1) For the convenience of a peace officer or any officer or employee of the division,
618 the owner or operator of a vehicle is encouraged to carry the registration card in the vehicle for
619 which the registration card was issued and display the registration card upon request.

620 (2) For a vehicle owned by a rental company, as defined in Section [31A-22-311](#), a
621 person driving or in control of the vehicle may display the vehicle's rental agreement, as
622 defined in Section [31A-22-311](#), in place of a registration card.

623 (3) For a vehicle being used in a private vehicle rental, as defined in Section
624 [13-48b-102](#), a person driving or in control of the vehicle may display the vehicle's rental
625 agreement, as defined in Section [13-48b-102](#), in place of a registration card.

626 Section 18. Section [41-12a-303.2](#) is amended to read:

627 **41-12a-303.2. Evidence of owner's or operator's security to be carried when**
628 **operating motor vehicle -- Defense -- Penalties.**

629 (1) As used in this section:

630 (a) "Division" means the Motor Vehicle Division of the State Tax Commission.

631 (b) "Registration materials" means the evidences of motor vehicle registration,
632 including all registration cards, license plates, temporary permits, and nonresident temporary
633 permits.

634 (2) (a) (i) A person operating a motor vehicle shall:

635 (A) have in the person's immediate possession evidence of owner's or operator's
636 security for the motor vehicle the person is operating; and

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

638 (ii) A person is exempt from the requirements of Subsection (2)(a)(i) if the person is
639 operating:

640 (A) a government-owned or leased motor vehicle; or

641 (B) an employer-owned or leased motor vehicle and is driving it with the employer's
642 permission.

643 (iii) A person operating a vehicle that is owned by a rental company, as defined in
644 Section [31A-22-311](#), may comply with Subsection (2)(a)(i) by having in the person's
645 immediate possession, or displaying, the rental vehicle's rental agreement, as defined in Section
646 [31A-22-311](#).

647 (iv) A person operating a vehicle in a private vehicle rental, as defined in Section

648 13-48b-102, may comply with Subsection (2)(a)(i) by having in the person's immediate
649 possession, or displaying, the rental vehicle's rental agreement, as defined in Section
650 13-48b-102.

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

652 (i) a copy of the operator's valid:

653 (A) insurance policy;

654 (B) insurance policy declaration page;

655 (C) binder notice;

656 (D) renewal notice; or

657 (E) card issued by an insurance company as evidence of insurance;

658 (ii) a certificate of insurance issued under Section 41-12a-402;

659 (iii) a certified copy of a surety bond issued under Section 41-12a-405;

660 (iv) a certificate of the state treasurer issued under Section 41-12a-406;

661 (v) a certificate of self-funded coverage issued under Section 41-12a-407; or

662 (vi) information that the vehicle or driver is insured from the Uninsured Motorist

663 Identification Database Program created under Title 41, Chapter 12a, Part 8, Uninsured

664 Motorist Identification Database Program.

665 (c) A card issued by an insurance company as evidence of owner's or operator's
666 security under Subsection (2)(b)(i)(E) on or after July 1, 2014, may not display the owner's or
667 operator's address on the card.

668 (d) (i) A person may provide to a peace officer evidence of owner's or operator's
669 security described in this Subsection (2) in:

670 (A) a hard copy format; or

671 (B) an electronic format using a mobile electronic device.

672 (ii) If a person provides evidence of owner's or operator's security in an electronic
673 format using a mobile electronic device under this Subsection (2)(d), the peace officer viewing
674 the owner's or operator's security on the mobile electronic device may not view any other
675 content on the mobile electronic device.

676 (iii) Notwithstanding any other provision under this section, a peace officer is not
677 subject to civil liability or criminal penalties under this section if the peace officer inadvertently
678 views content other than the evidence of owner's or operator's security on the mobile electronic

679 device.

680 (e) (i) Evidence of owner's or operator's security from the Uninsured Motorist
681 Identification Database Program described under Subsection (2)(b)(vi) supercedes any
682 evidence of owner's or operator's security described under Subsection (2)(b)(i)(D) or (E).

683 (ii) A peace officer may not cite or arrest a person for a violation of Subsection (2)(a) if
684 the Uninsured Motorist Identification Database Program created under Title 41, Chapter 12a,
685 Part 8, Uninsured Motorist Identification Database Program, information indicates that the
686 vehicle or driver is insured.

687 (3) It is an affirmative defense to a charge or in an administrative action under this
688 section that the person had owner's or operator's security in effect for the vehicle the person
689 was operating at the time of the person's citation or arrest.

690 (4) (a) The following are considered proof of owner's or operator's security for
691 purposes of Subsection (3) and Section 41-12a-804:

692 (i) evidence defined in Subsection (2)(b);

693 (ii) a written statement from an insurance producer or company verifying that the
694 person had the required motor vehicle insurance coverage on the date specified; or

695 (iii) a written statement from an insurance producer or company, or provision in an
696 insurance policy, indicating that the policy provides coverage for a newly purchased car and the
697 coverage extended to the date specified.

698 (b) The court considering a citation issued under this section shall allow the evidence
699 or a written statement under Subsection (4)(a) and a copy of the citation to be electronically
700 submitted or mailed to the clerk of the court to satisfy Subsection (3).

701 (c) The notice under Section 41-12a-804 shall specify that the written statement under
702 Subsection (4)(a) and a copy of the notice shall be faxed or mailed to the designated agent to
703 satisfy the proof of owner's or operator's security required under Section 41-12a-804.

704 (5) (a) A person who is convicted of violating Subsection (2)(a)(i):

705 (i) is guilty of an infraction for a first offense and subject to a fine of not less than
706 \$400; and

707 (ii) is guilty of a class C misdemeanor for each offense subsequent to the first offense
708 that is committed within three years after the day on which the person commits the first offense
709 and subject to a fine of not less than \$1,000.

710 (b) A court may waive up to \$300 of a fine charged under Subsection (5)(a) if the
711 person demonstrates that the owner's or operator's security required under Section 41-12a-301
712 was obtained after the violation but before sentencing.

713 (6) Upon receiving notification from a court of a conviction for a violation of this
714 section, the department:

715 (a) shall suspend the person's driver license; and

716 (b) may not renew the person's driver license or issue a driver license to the person
717 until the person gives the department proof of owner's or operator's security.

718 (i) This proof of owner's or operator's security shall be given by any of the ways
719 required under Section 41-12a-401.

720 (ii) This proof of owner's or operator's security shall be maintained with the department
721 for a three-year period.

722 (iii) An insurer that provides a certificate of insurance as provided under Section
723 41-12a-402 or 41-12a-403 may not terminate the insurance policy unless notice of termination
724 is filed with the department no later than 10 days after termination as required under Section
725 41-12a-404.

726 (iv) If a person who has canceled the certificate of insurance applies for a license
727 within three years from the date proof of owner's or operator's security was originally required,
728 the department shall refuse the application unless the person reestablishes proof of owner's or
729 operator's security and maintains the proof for the remainder of the three-year period.