

SB0074S02 compared with SB0074S01

~~{Omitted text}~~ shows text that was in SB0074S01 but was omitted in SB0074S02

inserted text shows text that was not in SB0074S01 but was inserted into SB0074S02

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1 **Motor Vehicle Civil Action Amendments**
2026 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Calvin R. Musselman
House Sponsor:



2
3 **LONG TITLE**

4 **General Description:**

5 This bill enacts requirements for a time-limited demand letter ~~{ and amends seat belt laws to allow~~
~~the misuse of or failure to use a seat belt to be considered for contributory or comparative negligence in~~
~~civil litigation} .~~

6 **Highlighted Provisions:**

7 This bill:

- 10 ▶ enacts requirements for a time-limited demand letter related to a motor vehicle insurance claim;
~~{ and }~~
- 12 ▶ ~~{ amends the Traffic Code to allow the misuse of or failure to use a seat belt to be~~
~~considered as contributory or comparative negligence in civil litigation. }~~
- 10 ▶ provides parameters and timing for a time-limited demand letter; and
- 11 ▶ addresses an insurer's duties and an insured's rights and remedies in relation to a time-
limited demand letter.

13 **Money Appropriated in this Bill:**

14 None

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15 **Other Special Clauses:**

16 None

17 **Utah Code Sections Affected:**

18 ENACTS:

19 **31A-22-323** , Utah Code Annotated 1953

AMENDS:

20 ~~{41-6a-1806, as renumbered and amended by Laws of Utah 2005, Chapter 2}~~

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

22 Section 1. Section **1** is enacted to read:

23 **31A-22-323. Time-limited demand letter -- Requirements.**

- 27 (1) A person issuing a time-limited demand to settle any claim under this part shall ensure that the letter:
- 29 (a) is in writing;
- 30 (b) is labeled as a time-limited demand to settle;
- 31 (c) references this section; and
- 32 (d) contains material terms, including:
- 33 (i) the time period within which the demand is required to be accepted, which shall be no fewer than
{30} **45** days from the date on which the letter is{;} received by certified mail;
- 35 {(A) {transmitted by facsimile;}-}
- 36 {(B) {transmitted by email; or}-}
- 37 {(C) {sent by certified mail;}-}
- 38 (ii) a clear and unequivocal offer to settle all claims within policy limits, including the satisfaction of all
known liens;
- 40 (iii) an offer for a complete release from the claimant {for the liability insurer's insureds from-} of all
present and future {liability for-} claims arising from the occurrenceagainst the insured;
- 42 (iv) the date and location of the loss;
- 43 (v) the claim number, if known;
- 44 (vi) a description of all known injuries alleged to have been sustained by the claimant;
- 45

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(vii) reasonable proof of injury ~~{, which may include medical records or bills, }~~ sufficient to ~~{support }~~ demonstrate that the claimant sustained an actual injury arising from the {claim; and} occurrence, including:

42 (A) medical records;

43 (B) billing statements; and

44 (C) sworn statements or other documentation supporting the existence of the injury; and

47 (viii) if the demand references or suggests the possibility of placing a judicial lien against personal property, ~~{an-}~~ a plain-language explanation of the process for obtaining a judicial lien and a statement advising the ~~{defendant's rights-}~~ insured of the insured's right to consult ~~{an attorney before discussions with the claimant or claimant's-}~~ independent legal counsel.

50 (2) The reasonable proof of injury described in Subsection (1)(a)(vii) does not require proof, valuation, or quantification of non-economic damages, including pain and suffering.

53 (3) If the insurer or insured reasonably determines that a demand letter fails to include required material information, the insurer or insured may provide written notice identifying the deficiency, and the response period is tolled until the deficiency is cured.

56 (4)

(a) Within a reasonable time after receipt of a time-limited demand letter that complies with this section, the liability insurer shall provide the insured with a written disclosure stating:

59 (i) whether the insurer agrees to defend the insured against the claim; and

60 (ii) whether the insurer agrees to indemnify the insured for any judgment or settlement arising from the claim, including whether such indemnification is limited to the applicable policy limits.

63 (b) A disclosure made under this Subsection (4):

64 (i) does not expand, reduce, or modify coverage under the insurance policy; and

65 (ii) is intended solely to provide clarity to the insured regarding the insurer's position.

66 (5)

51 (2){(a)} A time-limited demand to settle a claim {described in Subsection (1)-} under this section may not include demands for economic damages in amounts that exceed ~~{amounts disclosed in-}~~ the ~~{supporting records or bills}~~ economic damages reasonably supported by the documentation provided with the demand.

69 (b) Nothing in this subsection requires documentation or valuation of non-economic damages.

71 (6) Nothing in this section may be construed to alter, limit, or waive:

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- 72 (a) an insurer's duty to act in good faith and deal fairly with the insurer's insured; or
73 (b) any rights or remedies available to an insured arising from an insurer's failure to accept a reasonable
settlement offer within applicable policy limits.

53 {Section 2. ~~Section 41-6a-1806 is amended to read: }~~

54 **41-6a-1806. Compliance -- Civil litigation.**

The misuse or failure to use a child restraint device or misuse or failure to wear a safety belt:

- 57 (1) [~~does not~~] may constitute contributory or comparative negligence on the part of a person seeking
recovery for injuries; and
59 (2) may [~~not~~] be introduced as evidence in any civil litigation on the issue of negligence, injuries, or the
mitigation of damages.

75 Section 2. **Effective date.**

Effective Date.

This bill takes effect on May 6, 2026.

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