

SB0227S04 compared with SB0227

~~{Omitted text}~~ shows text that was in SB0227 but was omitted in SB0227S04

inserted text shows text that was not in SB0227 but was inserted into SB0227S04

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1

Punitive Damages Amendments
2026 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Ronald M. Winterton
House Sponsor: Colin W. Jack



2

3 **LONG TITLE**

4 **General Description:**

5 This bill enacts provisions relating to ~~{limitations on liability for}~~ punitive damages.

6 **Highlighted Provisions:**

7 This bill:

- 8 ▶ ~~{defines "motor vehicle";}~~
- 9 ▶ provides ~~{a limit on an award of punitive damages resulting from a personal injury claim}~~ that ~~{involves a motor vehicle; and provides a limit}~~ an insurer may not rely on the ~~{attorney fees related}~~ existence, likelihood, possibility, or exposure to ~~{an award of}~~ punitive damages~~{:}~~ when taking actions under Title 31A, Insurance Code;
- 10 ▶ provides the circumstances in which a court may award punitive damages against an employer, managing agent, or principal for the conduct of the employer's, managing agent's, or principal's employee or agent;
- 13 ▶ provides that the provisions this bill enacts apply only to a claim arising after the effective date of the bill; and
- 15 ▶ makes technical changes.

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16 **Money Appropriated in this Bill:**

17 None

18 **Other Special Clauses:**

19 None

20 **Utah Code Sections Affected:**

21 AMENDS:

22 **31A-20-101 , as last amended by Laws of Utah 1986, Chapter 204**

23 ENACTS:

24 **78B-8-204** , Utah Code Annotated 1953

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

27 **Section 1. Section 31A-20-101 is amended to read:**

28 **31A-20-101. Underwriting limitations.**

29 (1) No insurer may insure or attempt to insure against:

30 [(1)] (a) a wager or gaming risk;

31 [(2)] (b) loss of an election;

32 [(3)] (c) the penal consequences of a crime; or

33 [(4)] (d) punitive damages.

34 (2) An insurer may not consider, use, or rely upon the existence, likelihood, possibility, or exposure to punitive damages when engaging in any of the following under this title:

36 (a) underwriting;

37 (b) rating;

38 (c) risk classification; or

39 (d) determining premiums or other charges for a policy.

40 Section 2. Section 2 is enacted to read:

41 **78B-8-204. {~~Limitations on award of punitive~~} Punitive damages {~~for a personal injury claim involving a motor vehicle~~} in an employment or agency relationship.**

24 (1) As used in this section, {"motor vehicle"} "managing agent" means {~~the same as that term is defined in Section 41-1a-102.~~} an employee or agent who:

43 (a) exercises supervisory or managerial authority over a specific facility, operation, project, or group of employees; or

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- 45 (b) acts in a managerial capacity.
- 46 (2) Except as provided in Subsection (3), in an action where a plaintiff seeks punitive damages against
an employer, principal, or managing agent based solely on the tortious conduct of an employee or
agent, the employer, principal, or managerial agent may not be held vicariously liable for punitive
damages based solely on the agency or employment relationship.
- 51 (3) To obtain an award of punitive damages against an employer, a principal, or a managing agent based
solely on the conduct of an employee or agent, a plaintiff shall demonstrate by clear and convincing
evidence that:
- 54 (a) the employer's, principal's, or managing agent's conduct was willful, malicious, or in reckless
disregard to the rights or safety of others;
- 56 (b) the employer, principal, or managing agent authorized, ratified, or approved of the alleged conduct
that gave rise to the claim; or
- 58 (c) the employer, principal, or managing agent was reckless in employing or retaining the employee or
agent.
- 26 (2){(4)} ~~{If the basis-}~~ Subsections (2) and (3) apply to any claim for an award of punitive damages,
including a claim for punitive damages ~~{under Section 78B-8-201 is based on-}~~ arising out of
the tortfeasor's operation of a motor vehicle ~~{and the cause of action arises out of a personal~~
injury claim, an award of punitive damages may not exceed an amount equal to the greater of: }
or motorboat while voluntarily intoxicated or under the influence of any drug or combination of
alcohol and drugs as prohibited by Section 41-6a-502.
- 29 ~~{(a) {the sum of:-}~~
- 64 (5) The provisions of this section:
- 30 ~~(i){(a)} {two times the amount of economic damages} are subject to Section 63G-7-603; and~~
- 31 ~~{(ii) {an amount equal to any noneconomic damages not exceeding \$750,000; or}-}~~
- 32 ~~{(b) {\$200,000.-}~~
- 33 ~~{(3) {If a court awards a person punitive damages in accordance with this section, attorney fees for the~~
~~person may not exceed 25% of the amount of the total award of punitive damages.-}~~
- 66 (b) apply only to a claim arising on or after May 6, 2026.

67 Section 3. **Effective date.**
Effective Date.
This bill takes effect on May 6, 2026.

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