

SB0227S04 compared with SB0227S03

~~{Omitted text}~~ shows text that was in SB0227S03 but was omitted in SB0227S04

inserted text shows text that was not in SB0227S03 but was inserted into SB0227S04

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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 punitive damages.

6 **Highlighted Provisions:**

7 This bill:

8 ▸ provides that an insurer may not rely on the existence, likelihood, possibility, or exposure to
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;

12 ▸ provides that the provisions this bill enacts apply only to a claim arising after the effective date of
the bill; and

14 ▸ makes technical changes.

16 **Money Appropriated in this Bill:**

17 None

18 **Other Special Clauses:**

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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

25

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.**

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

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

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

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

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

33 (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:

35 (a) underwriting;

36 (b) rating;

37 (c) risk classification; or

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

40 Section 2. Section **2** is enacted to read:

41 **78B-8-204. Punitive damages in an employment or agency relationship.**

42 (1) As used in this section, "managing agent" means an employee or agent who:

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

45 (b) acts in a managerial capacity.

41 (1){(2)} Except as provided in Subsection {(2)} (3), in an action where a plaintiff seeks punitive damages against an employer {or} , principal , or managing agent based solely on the {negligent} tortious conduct of an employee or agent, the employer {or} , principal , or managerial agent

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may not be held vicariously liable for punitive damages based solely on the agency or employment relationship.

45 (2){(3)} To obtain an award of punitive damages against an employer {~~or principal~~}, 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:

48 (a) the employer's {~~or principal's~~}, principal's, or managing agent's conduct was willful, malicious, or
in reckless disregard to the rights or safety of others; {~~or~~}

50 (b) the employer {~~or principal~~}, 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.

52 (3){(4)} Subsections {~~(1) and~~} (2) and (3) apply to any claim for an award of punitive damages,
including a claim for punitive damages arising out of the tortfeasor's operation of a motor vehicle
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.

56 (4){(5)} The provisions of this section:

57 (a) are subject to Section 63G-7-603; and

58 (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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