

SB0227S03 compared with SB0227S02

~~{Omitted text}~~ shows text that was in SB0227S02 but was omitted in SB0227S03

inserted text shows text that was not in SB0227S02 but was inserted into SB0227S03

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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 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 or
principal for the conduct of the employer's or principal's employee or agent; ~~{and}~~

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

13 ▸ makes technical changes.

15 **Money Appropriated in this Bill:**

16 None

17 **Other Special Clauses:**

18 None

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19 **Utah Code Sections Affected:**

20 AMENDS:

21 **31A-20-101** , as last amended by Laws of Utah 1986, Chapter 204

22 ENACTS:

23 **78B-8-204** , Utah Code Annotated 1953

24

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

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

27 **31A-20-101. Underwriting limitations.**

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

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

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

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

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

32 (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:

34 (a) underwriting;

35 (b) rating;

36 (c) risk classification; or

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

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

40 **78B-8-204. Punitive damages in an employment or agency relationship.**

41 (1) Except as provided in Subsection (2), in an action where a plaintiff seeks punitive damages against an employer or principal based solely on the negligent conduct of an employee or agent, the employer or principal may not be held vicariously liable for punitive damages based solely on the agency or employment relationship.

40 (1){(2)} {In} To obtain an {~~action where a plaintiff seeks~~} award of punitive damages against an employer or principal based solely on the conduct of an employee or agent, a plaintiff shall demonstrate by clear and convincing evidence that:

42 {(a) {~~the employer or principal may not be held vicariously liable for punitive damages based solely on the agency or employment relationship; and~~}}

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44 {~~(b) {except as provided in Subsection (2), a court may not award the plaintiff punitive damages against~~
the employer or principal.}}

46 (2){~~(a) {A court may award punitive damages against an employer or principal for the conduct of an~~
employee or agent if the plaintiff demonstrates by clear and convincing evidence that, in addition to
the agent's or employee's conduct, } the employer's or principal's conduct was willful, malicious, or
in reckless disregard to the rights or safety of others{.} ; or

50 (b) the employer or principal authorized, ratified, or approved of the alleged conduct that gave rise to
the claim.

50 (3) Subsections (1) and (2) 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) The provisions of this section:

53a (a) { ~~§~~ { } {~~(4)~~} {The provisions of this section} are subject to Section 63G-7-603{.} ; and

58 (b) apply only to a claim arising on or after May 6, 2026.

59 Section 3. **Effective date.**

Effective Date.

This bill takes effect on May 6, 2026.

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