Colin W. Jack proposes the following substitute bill:

Automotive Repair Business Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Colin W. Jack

Senate Sponsor: Don L. Ipson

LONG TITLE

General Description:

This bill amends provisions related to automotive repairs.

Highlighted Provisions:

This bill:

- requires that a motor vehicle insurance policy contain a disclosure relating to the use of aftermarket crash parts;
- provides that coverage for a motor vehicle accident may not be stepped down under certain circumstances;
- requires that an insurer use crash parts that are substantially equivalent to original equipment manufacturer aftermarket repair parts;
- grants a motor vehicle owner a right of action against an insurer that does not use crash parts that are substantially equivalent to original equipment manufacturer aftermarket repair parts; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

31A-22-302, as last amended by Laws of Utah 2013, Chapter 91

31A-22-303, as last amended by Laws of Utah 2023, Chapter 415

31A-22-319, as renumbered and amended by Laws of Utah 1995, Chapter 8

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

Section 1. Section **31A-22-302** is amended to read:

31A-22-302 . Required components of motor vehicle insurance policies -- Exceptions.

(1) Every policy of insurance or combination of policies purchased to satisfy the owner's or operator's security requirement of Section 41-12a-301 shall include:

(a) motor vehicle liability coverage under Sections 31A-22-303 and 31A-22-304;

(b) uninsured motorist coverage under Section 31A-22-305, unless affirmatively waived under Subsection 31A-22-305(5);

(c) underinsured motorist coverage under Section 31A-22-305.3, unless affirmatively waived under Subsection 31A-22-305.3(3);[~~ and~~]

(d) except as provided in Subsection (2) and subject to Subsection (4), personal injury protection under Sections 31A-22-306 through 31A-22-309[~~.~~] ; and

(e) when the insured purchases the policy of insurance, a clear and conspicuous disclosure of whether the insurer intends to use non-OEM aftermarket crash parts or OEM aftermarket crash parts for repairs.

(2) A policy of insurance or combination of policies, purchased to satisfy the owner's or operator's security requirement of Section 41-12a-301 for a motorcycle, off-highway vehicle, street-legal all-terrain vehicle, trailer, or semitrailer is not required to have personal injury protection under Sections 31A-22-306 through 31A-22-309.

(3) A card issued by an insurance company as evidence of owner's or operator's security under Section 41-12a-303.2 on or after July 1, 2014, may not display the owner's or operator's address on the card.

(4)(a) First party medical coverages may be offered or included in policies issued to motorcycle, off-highway vehicle, street-legal all-terrain vehicle, trailer, and semitrailer owners or operators.

(b) Owners and operators of motorcycles, off-highway vehicles, street-legal all-terrain vehicles, trailers, and semitrailers are not covered by personal injury protection coverages in connection with injuries incurred while operating any of these vehicles.

(5) First party medical coverage expenses shall be governed by the relative value study provisions under Subsections 31A-22-307(2) and (3).

Section 2. Section **31A-22-303** is amended to read:

31A-22-303 . Motor vehicle liability coverage.

(1)(a) In addition to complying with the requirements of Chapter 21, Insurance Contracts in General, and Part 2, Liability Insurance in General, a policy of motor

vehicle liability coverage under Subsection 31A-22-302(1)(a) shall:

(i) name the motor vehicle owner or operator in whose name the policy was purchased, state [~~that~~] the named insured's address, the coverage afforded, the premium charged, the policy period, and the limits of liability;

(ii)(A) if [~~it~~] the policy is an owner's policy, designate by appropriate reference all the motor vehicles on which coverage is granted, insure the person named in the policy, insure any other person using any named motor vehicle with the express or implied permission of the named insured, and, except as provided in Section 31A-22-302.5, insure any person included in Subsection (1)(a)(iii) against loss from the liability imposed by law for damages arising out of the ownership, maintenance, or use of these motor vehicles within the United States and Canada, subject to limits exclusive of interest and costs, for each motor vehicle, in amounts not less than the minimum limits specified under Section 31A-22-304; or

(B) if [~~it~~] the policy is an operator's policy, insure the person named as insured against loss from the liability imposed upon [~~him~~] the person by law for damages arising out of the insured's use of any motor vehicle not owned by [~~him~~] the person, within the same territorial limits and with the same limits of liability as in an owner's policy under Subsection (1)(a)(ii)(A);

(iii) except as provided in Section 31A-22-302.5, insure persons related to the named insured by blood, marriage, adoption, or guardianship who are residents of the named insured's household, including [~~those~~] a person who usually [~~make their~~] makes the person's home in the same household but temporarily [~~live~~] lives elsewhere, to the same extent as the named insured; and

[~~(iv) where a claim is brought by the named insured or a person described in Subsection (1)(a)(iii), the available coverage of the policy may not be reduced or stepped-down because:~~]

[~~(A) a permissive user driving a covered motor vehicle is at fault in causing an accident; or~~]

[~~(B) the named insured or any of the persons described in Subsection (1)(a)(iii) driving a covered motor vehicle is at fault in causing an accident; and~~]

[~~(v)~~] (iv) cover damages or injury resulting from a covered driver of a motor vehicle who is stricken by an unforeseeable paralysis, seizure, or other unconscious condition and who is not reasonably aware that paralysis, seizure, or other

unconscious condition is about to occur to the extent that a person of ordinary prudence would not attempt to continue driving.

(b) Where a named insured or a person described in Subsection (1)(a)(iii) brings a claim, the available coverage of the policy may not be reduced or stepped down because:

(i) a permissive user driving a covered motor vehicle is at fault in causing an accident; or

(ii) the named insured or any of the persons described in Subsection (1)(a)(iii) driving a covered motor vehicle is at fault in causing an accident.

[~~(b)~~] (c) The driver's liability under Subsection [~~(1)(a)(v)~~] (1)(a)(iv) is limited to the insurance coverage.

[~~(c)~~] (d)(i) "Guardianship" under Subsection (1)(a)(iii) includes the relationship between a foster parent and a minor who is in the legal custody of the Division of Child and Family Services if:

(A) the minor resides in a foster home, as defined in Section 62A-2-101, with a foster parent who is the named insured; and

(B) the foster parent has signed to be jointly and severally liable for compensatory damages caused by the minor's operation of a motor vehicle in accordance with Section 53-3-211.

(ii) "Guardianship" as defined under this Subsection [~~(1)(c)~~] (1)(d) ceases to exist when a minor described in Subsection [~~(1)(c)(i)(A)~~] (1)(d)(i)(A) is no longer a resident of the named insured's household.

(2)(a) A policy containing motor vehicle liability coverage under Subsection 31A-22-302(1)(a) may:

(i) provide for the prorating of the insurance under that policy with other valid and collectible insurance;

(ii) grant any lawful coverage in addition to the required motor vehicle liability coverage;

(iii) if an insurer issues the policy [~~is issued~~]to a person other than a motor vehicle business, limit the coverage afforded to a motor vehicle business or [~~its~~] the motor vehicle business's officers, agents, or employees to the minimum limits under Section 31A-22-304, and to those instances when there is no other valid and collectible insurance with at least those limits, whether the other insurance is primary, excess, or contingent; and

(iv) if [~~issued~~] an insurer issues the policy to a motor vehicle business, restrict

coverage afforded to anyone other than the motor vehicle business or its officers, agents, or employees to the minimum limits under Section 31A-22-304, and to those instances when there is no other valid and collectible insurance with at least those limits, whether the other insurance is primary, excess, or contingent.

(b)(i) The liability insurance coverage of a permissive user of a motor vehicle owned by a motor vehicle business shall be primary coverage.

(ii) The liability insurance coverage of a motor vehicle business shall be secondary to the liability insurance coverage of a permissive user as specified under Subsection (2)(b)(i).

(3) Motor vehicle liability coverage need not insure any liability:

(a) under any workers' compensation law under Title 34A, Utah Labor Code;

(b) resulting from bodily injury to or death of an employee of the named insured, other than a domestic employee, while engaged in the employment of the insured, or while engaged in the operation, maintenance, or repair of a designated vehicle; or

(c) resulting from damage to property owned by, rented to, bailed to, or transported by the insured.

(4) An insurance carrier providing motor vehicle liability coverage has the right to settle any claim covered by the policy, and if the insurance carrier makes the settlement [~~is made~~]in good faith, the amount of the settlement is deductible from the limits of liability specified under Section 31A-22-304.

(5) A policy containing motor vehicle liability coverage imposes on the insurer the duty to defend, in good faith, any person insured under the policy against any claim or suit seeking damages which would be payable under the policy.

(6)(a) If a policy containing motor vehicle liability coverage provides an insurer with the defense of lack of cooperation on the part of the insured, that defense is not effective against a third person making a claim against the insurer, unless there was collusion between the third person and the insured.

(b) If the defense of lack of cooperation is not effective against the claimant, after payment, the insurer is subrogated to the injured person's claim against the insured to the extent of the payment and is entitled to reimbursement by the insured after the injured third person has been made whole with respect to the claim against the insured.

(7)(a) A policy of motor vehicle coverage may limit coverage to the policy minimum limits under Section 31A-22-304 if the policy or a specifically reduced premium was

extended to the insured upon express written declaration executed by the insured that the insured motor vehicle would not be operated by a person described in Subsection (7)(c) operating in a manner described in Subsection (7)(b)(i).

(b)(i) A policy of motor vehicle liability coverage may limit coverage as described in Subsection (7)(a) if the insured motor vehicle is operated by an individual described in Subsection (7)(c) if the individual described in Subsection (7)(c) is guilty of:

(A) driving under the influence as described in Section 41-6a-502;

(B) impaired driving as described in Section 41-6a-502.5; or

(C) operating a vehicle with a measurable controlled substance in the individual's body as described in Section 41-6a-517.

(ii) An individual's refusal to submit to a chemical test as described in Sections 41-6a-520 and 41-6a-520.1 is admissible evidence, but not conclusive, that the individual is guilty of an offense described in Subsection (7)(b)(i).

(c) A reduction in coverage as described in Subsection (7)(a) applies to the following individuals:

(i) the insured;

(ii) the spouse of the insured; or

(iii) if the individual has a separate policy as a secondary source of coverage, and:

(A) the individual is over [~~the age of 21~~] 21 years old and resides in the household of the insured; or

(B) the individual is a permissible user of the motor vehicle.

(d) A reduction in coverage as described in Subsection (7)(a) does not apply to an individual under [~~the age of 21~~] 21 years old who is a relative of the insured and a resident of the insured's household.

(8)(a) When a claim is brought exclusively by a named insured or a person described in Subsection (1)(a)(iii) and asserted exclusively against a named insured or an individual described in Subsection (1)(a)(iii), the claimant may elect to resolve the claim:

(i) by submitting the claim to binding arbitration; or

(ii) through litigation.

(b) Once the claimant has elected to commence litigation under Subsection (8)(a)(ii), the claimant may not elect to resolve the claim through binding arbitration under this section without the written consent of both parties and the defendant's liability insurer.

(c)(i) Unless otherwise agreed on in writing by the parties, a panel of three arbitrators shall resolve a claim that [~~is submitted~~] the parties submit to binding arbitration under Subsection (8)(a)(i)[~~ shall be resolved by a panel of three arbitrators~~].

(ii)(A) Unless otherwise agreed on in writing by the parties, each party shall select an arbitrator.[~~–~~]

(B) The arbitrators selected by the parties shall select a third arbitrator.

(d)(i) Unless otherwise agreed on in writing by the parties, each party [~~will~~] shall pay the fees and costs of the arbitrator that party selects.[~~-~~]

(ii) Both parties shall share equally the fees and costs of the third arbitrator.

(e) Except as otherwise provided in this section, an arbitration procedure conducted under this section shall be governed by Title 78B, Chapter 11, Utah Uniform Arbitration Act, unless otherwise agreed on in writing by the parties.

(f)(i) [~~Discovery shall be conducted~~] The parties shall conduct discovery in accordance with Rules 26b through 36, Utah Rules of Civil Procedure.

(ii) [~~All~~] The arbitration panel shall resolve all issues of discovery[~~ shall be resolved by the arbitration panel~~].

(g) A written decision of two of the three arbitrators shall constitute a final decision of the arbitration panel.

(h) [~~Prior to the~~] Before the rendering of the arbitration award:

(i) the existence of a liability insurance policy may be disclosed to the arbitration panel; and

(ii) the amount of all applicable liability insurance policy limits may not be disclosed to the arbitration panel.

(i)(i) The amount of the arbitration award may not exceed the liability limits of all the defendant's applicable liability insurance policies, including applicable liability umbrella policies.[~~-~~]

(ii) If the initial arbitration award exceeds the liability limits of all applicable liability insurance policies, the arbitration award shall be reduced to an amount equal to the liability limits of all applicable liability insurance policies.

(j) The arbitration award is the final resolution of all claims between the parties unless the award was procured by corruption, fraud, or other undue means.

(k) If the arbitration panel finds [~~that the action was not brought, pursued, or defended in good faith~~] a party did not bring, pursue, or defend the action in good faith, the arbitration panel may award reasonable fees and costs against the party that failed to

bring, pursue, or defend the claim in good faith.

(l) Nothing in this section is intended to limit any claim under any other portion of an applicable insurance policy.

(9) An at-fault driver or an insurer issuing a policy of insurance under this part that is covering an at-fault driver may not reduce compensation to an injured party based on the injured party not being covered by a policy of insurance that provides personal injury protection coverage under Sections 31A-22-306 through 31A-22-309.

Section 3. Section **31A-22-319** is amended to read:

31A-22-319 . Prohibition on insurer requiring certain parts -- Disclosure.

[~~(1) Unless the insured is given notice in writing an insurer may not specify the use of non-OEM aftermarket crash parts in the repair of an insured's motor vehicle.~~]

(1)(a) On or after the day on which an insured makes a claim that will require the repair or replacement of one or more parts of the insured's motor vehicle, the insurer shall give the insured notice in writing of whether the insurer will use non-OEM aftermarket crash parts in the repair of an insured's motor vehicle.

(b) The notice[~~,~~] required by this Subsection (1) shall identify non-OEM parts as not made for or by the vehicle manufacturer.

[~~(2)~~] (c) Unless the [~~consumer is given~~] insurer gives the insured notice in writing[~~prior to installation~~] in accordance with this Subsection (1) before the insured authorizes repairs, a repair facility or installer may not use non-OEM aftermarket parts to repair a vehicle.

[~~(3)~~] (2) In all instances where [~~non-OEM aftermarket crash parts are intended for use by an insurer~~] an insurer intends to use non-OEM aftermarket crash parts:

(a) the written estimate shall clearly identify each non-OEM aftermarket crash part;[~~and~~]

(b) a disclosure document containing the following statements in 10 point or larger type shall appear on or be attached to the insured's copy of the estimate: "This estimate has been prepared based on the use of crash parts supplied by a source other than the manufacturer of your motor vehicle. Warranties applicable to these replacement parts are provided by the manufacturer or distributor of these parts rather than the manufacturer of your vehicle."; and

(c) the insurer shall ensure that the non-OEM aftermarket crash parts are substantially equivalent to the quality, function, fit, finish, performance, weight, and metal hardness of OEM crash parts.

(3) A motor vehicle owner has a right of action against an insurer that violates Subsection

(2).

(4) If a motor vehicle owner brings an action against an insurer in accordance with Subsection (5) and a court with jurisdiction determines that the insurer violated Subsection (2), the court shall award the motor vehicle owner actual damages caused by the violation of Subsection (2).

(5) Notwithstanding Sections 31A-2-101 and 31A-2-201, the department and the commissioner are not required to administer or otherwise enforce Subsections (2) through (4).

Section 4. **Effective Date.**

This bill takes effect on May 6, 2026.