

**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:

## 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:*

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

30       **31A-22-302 . Required components of motor vehicle insurance policies --**

31       **Exceptions.**

32       (1) Every policy of insurance or combination of policies purchased to satisfy the owner's or  
33       operator's security requirement of Section 41-12a-301 shall include:  
34           (a) motor vehicle liability coverage under Sections 31A-22-303 and 31A-22-304;  
35           (b) uninsured motorist coverage under Section 31A-22-305, unless affirmatively waived  
36           under Subsection 31A-22-305(5);  
37           (c) underinsured motorist coverage under Section 31A-22-305.3, unless affirmatively  
38           waived under Subsection 31A-22-305.3(3);  
39           (d) except as provided in Subsection (2) and subject to Subsection (4), personal injury  
40           protection under Sections 31A-22-306 through 31A-22-309[.] ; and  
41           (e) when the insured purchases the policy of insurance, a clear and conspicuous  
42           disclosure of whether the insurer intends to use non-OEM aftermarket crash parts or  
43           OEM aftermarket crash parts for repairs.  
44       (2) A policy of insurance or combination of policies, purchased to satisfy the owner's or  
45       operator's security requirement of Section 41-12a-301 for a motorcycle, off-highway  
46       vehicle, street-legal all-terrain vehicle, trailer, or semitrailer is not required to have  
47       personal injury protection under Sections 31A-22-306 through 31A-22-309.  
48       (3) A card issued by an insurance company as evidence of owner's or operator's security  
49       under Section 41-12a-303.2 on or after July 1, 2014, may not display the owner's or  
50       operator's address on the card.  
51       (4)(a) First party medical coverages may be offered or included in policies issued to  
52       motorcycle, off-highway vehicle, street-legal all-terrain vehicle, trailer, and  
53       semitrailer owners or operators.  
54           (b) Owners and operators of motorcycles, off-highway vehicles, street-legal all-terrain  
55       vehicles, trailers, and semitrailers are not covered by personal injury protection  
56       coverages in connection with injuries incurred while operating any of these vehicles.  
57       (5) First party medical coverage expenses shall be governed by the relative value study  
58       provisions under Subsections 31A-22-307(2) and (3).

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

60       **31A-22-303 . Motor vehicle liability coverage.**

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

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

- 64 (i) name the motor vehicle owner or operator in whose name the policy was  
65 purchased, state [that] the named insured's address, the coverage afforded, the  
66 premium charged, the policy period, and the limits of liability;
- 67 (ii)(A) if [it] the policy is an owner's policy, designate by appropriate reference all  
68 the motor vehicles on which coverage is granted, insure the person named in  
69 the policy, insure any other person using any named motor vehicle with the  
70 express or implied permission of the named insured, and, except as provided in  
71 Section 31A-22-302.5, insure any person included in Subsection (1)(a)(iii)  
72 against loss from the liability imposed by law for damages arising out of the  
73 ownership, maintenance, or use of these motor vehicles within the United  
74 States and Canada, subject to limits exclusive of interest and costs, for each  
75 motor vehicle, in amounts not less than the minimum limits specified under  
76 Section 31A-22-304; or
- 77 (B) if [it] the policy is an operator's policy, insure the person named as insured  
78 against loss from the liability imposed upon [him] the person by law for  
79 damages arising out of the insured's use of any motor vehicle not owned by [  
80 him] the person, within the same territorial limits and with the same limits of  
81 liability as in an owner's policy under Subsection (1)(a)(ii)(A);
- 82 (iii) except as provided in Section 31A-22-302.5, insure persons related to the named  
83 insured by blood, marriage, adoption, or guardianship who are residents of the  
84 named insured's household, including [those] a person who usually [make their]  
85 makes the person's home in the same household but temporarily [live] lives  
86 elsewhere, to the same extent as the named insured; and  
87 [(iv) where a claim is brought by the named insured or a person described in  
88 Subsection (1)(a)(iii), the available coverage of the policy may not be reduced or  
89 stepped-down because:]  
90 [(A) a permissive user driving a covered motor vehicle is at fault in causing an  
91 accident; or]  
92 [(B) the named insured or any of the persons described in Subsection (1)(a)(iii)  
93 driving a covered motor vehicle is at fault in causing an accident; and]  
94 [(v)] (iv) cover damages or injury resulting from a covered driver of a motor vehicle  
95 who is stricken by an unforeseeable paralysis, seizure, or other unconscious  
96 condition and who is not reasonably aware that paralysis, seizure, or other

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

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

101 (i) a permissive user driving a covered motor vehicle is at fault in causing an  
102 accident; or  
103 (ii) the named insured or any of the persons described in Subsection (1)(a)(iii) driving  
104 a covered motor vehicle is at fault in causing an accident.

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

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

110 (A) the minor resides in a foster home, as defined in Section 62A-2-101, with a  
111 foster parent who is the named insured; and  
112 (B) the foster parent has signed to be jointly and severally liable for compensatory  
113 damages caused by the minor's operation of a motor vehicle in accordance with  
114 Section 53-3-211.  
115 (ii) "Guardianship" as defined under this Subsection [(1)(e)] (1)(d) ceases to exist  
116 when a minor described in Subsection [(1)(e)(i)(A)] (1)(d)(i)(A) is no longer a  
117 resident of the named insured's household.

118 (2)(a) A policy containing motor vehicle liability coverage under Subsection  
119 31A-22-302(1)(a) may:

120 (i) provide for the prorating of the insurance under that policy with other valid and  
121 collectible insurance;  
122 (ii) grant any lawful coverage in addition to the required motor vehicle liability  
123 coverage;  
124 (iii) if an insurer issues the policy [~~is issued~~] to a person other than a motor vehicle  
125 business, limit the coverage afforded to a motor vehicle business or [its] the motor  
126 vehicle business's officers, agents, or employees to the minimum limits under  
127 Section 31A-22-304, and to those instances when there is no other valid and  
128 collectible insurance with at least those limits, whether the other insurance is  
129 primary, excess, or contingent; and  
130 (iv) if [~~issued~~] an insurer issues the policy to a motor vehicle business, restrict

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

135 (b)(i) The liability insurance coverage of a permissive user of a motor vehicle owned  
136 by a motor vehicle business shall be primary coverage.  
137 (ii) The liability insurance coverage of a motor vehicle business shall be secondary to  
138 the liability insurance coverage of a permissive user as specified under Subsection  
139 (2)(b)(i).

140 (3) Motor vehicle liability coverage need not insure any liability:  
141 (a) under any workers' compensation law under Title 34A, Utah Labor Code;  
142 (b) resulting from bodily injury to or death of an employee of the named insured, other  
143 than a domestic employee, while engaged in the employment of the insured, or while  
144 engaged in the operation, maintenance, or repair of a designated vehicle; or  
145 (c) resulting from damage to property owned by, rented to, bailed to, or transported by  
146 the insured.  
147 (4) An insurance carrier providing motor vehicle liability coverage has the right to settle  
148 any claim covered by the policy, and if the insurance carrier makes the settlement [is  
149 ~~made]~~ in good faith, the amount of the settlement is deductible from the limits of  
150 liability specified under Section 31A-22-304.  
151 (5) A policy containing motor vehicle liability coverage imposes on the insurer the duty to  
152 defend, in good faith, any person insured under the policy against any claim or suit  
153 seeking damages which would be payable under the policy.  
154 (6)(a) If a policy containing motor vehicle liability coverage provides an insurer with the  
155 defense of lack of cooperation on the part of the insured, that defense is not effective  
156 against a third person making a claim against the insurer, unless there was collusion  
157 between the third person and the insured.  
158 (b) If the defense of lack of cooperation is not effective against the claimant, after  
159 payment, the insurer is subrogated to the injured person's claim against the insured to  
160 the extent of the payment and is entitled to reimbursement by the insured after the  
161 injured third person has been made whole with respect to the claim against the  
162 insured.  
163 (7)(a) A policy of motor vehicle coverage may limit coverage to the policy minimum  
164 limits under Section 31A-22-304 if the policy or a specifically reduced premium was

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

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

- 172 (A) driving under the influence as described in Section 41-6a-502;
- 173 (B) impaired driving as described in Section 41-6a-502.5; or
- 174 (C) operating a vehicle with a measurable controlled substance in the individual's  
175 body as described in Section 41-6a-517.

176 (ii) An individual's refusal to submit to a chemical test as described in Sections  
177 41-6a-520 and 41-6a-520.1 is admissible evidence, but not conclusive, that the  
178 individual is guilty of an offense described in Subsection (7)(b)(i).

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

- 181 (i) the insured;
- 182 (ii) the spouse of the insured; or
- 183 (iii) if the individual has a separate policy as a secondary source of coverage, and:

- 184 (A) the individual is over [the age of 21] 21 years old and resides in the household  
185 of the insured; or
- 186 (B) the individual is a permissible user of the motor vehicle.

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

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

- 194 (i) by submitting the claim to binding arbitration; or
- 195 (ii) through litigation.

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

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

202 (ii)(A) Unless otherwise agreed on in writing by the parties, each party shall select  
203 an arbitrator.[-]  
204 (B) The arbitrators selected by the parties shall select a third arbitrator.

205 (d)(i) Unless otherwise agreed on in writing by the parties, each party [will] shall pay  
206 the fees and costs of the arbitrator that party selects.[-]  
207 (ii) Both parties shall share equally the fees and costs of the third arbitrator.

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

211 (f)(i) [Discovery shall be conducted] The parties shall conduct discovery in  
212 accordance with Rules 26b through 36, Utah Rules of Civil Procedure.  
213 (ii) [All] The arbitration panel shall resolve all issues of discovery[-shall be resolved  
214 by the arbitration panel].

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

217 (h) [Prior to the] Before the rendering of the arbitration award:  
218 (i) the existence of a liability insurance policy may be disclosed to the arbitration  
219 panel; and  
220 (ii) the amount of all applicable liability insurance policy limits may not be disclosed  
221 to the arbitration panel.

222 (i)(i) The amount of the arbitration award may not exceed the liability limits of all the  
223 defendant's applicable liability insurance policies, including applicable liability  
224 umbrella policies.[-]  
225 (ii) If the initial arbitration award exceeds the liability limits of all applicable liability  
226 insurance policies, the arbitration award shall be reduced to an amount equal to  
227 the liability limits of all applicable liability insurance policies.

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

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

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

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

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

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

241 **31A-22-319 . Prohibition on insurer requiring certain parts -- Disclosure.**

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

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

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

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

254 ~~(3) (2) In all instances where [non-OEM aftermarket crash parts are intended for use by an  
255 insurer] an insurer intends to use non-OEM aftermarket crash parts:~~

256 ~~(a) the written estimate shall clearly identify each non-OEM aftermarket crash part;[- and]~~  
257 ~~(b) a disclosure document containing the following statements in 10 point or larger type  
258 shall appear on or be attached to the insured's copy of the estimate: "This estimate  
259 has been prepared based on the use of crash parts supplied by a source other than the  
260 manufacturer of your motor vehicle. Warranties applicable to these replacement  
261 parts are provided by the manufacturer or distributor of these parts rather than the  
262 manufacturer of your vehicle."; and~~

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

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

267                   (2).

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

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

275                   **Section 4. Effective Date.**

276                   This bill takes effect on May 6, 2026.