

Ronald M. Winterton proposes the following substitute bill:

Punitive Damages Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ronald M. Winterton

House Sponsor:

LONG TITLE

General Description:

This bill enacts provisions relating to punitive damages.

Highlighted Provisions:

This bill:

▸ 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;

▸ 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;

▸ provides that the Legislature finds that punitive damages unduly burden the economic, commercial, and personal welfare of persons in this state;

▸ provides that the cap on punitive damages does not apply to an award of punitive damages arising from an injury resulting in death;

▸ establishes a cap on an award for punitive damages;

▸ provides that the court may not make the jury aware of the cap on an award for punitive damages;

▸ provides the circumstances under which a court shall adjust an award for punitive damages; and

▸ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

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

29 ENACTS:

30 **78B-8-204**, Utah Code Annotated 1953

31 **78B-8-205**, Utah Code Annotated 1953

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

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

34 **31A-20-101 . Underwriting limitations.**

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

36 [~~(1)~~] (a) a wager or gaming risk;

37 [~~(2)~~] (b) loss of an election;

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

39 [~~(4)~~] (d) punitive damages.

40 (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:

41 (a) underwriting;

42 (b) rating;

43 (c) risk classification; or

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

45 Section 2. Section **78B-8-204** is enacted to read:

46 **78B-8-204 . Punitive damages in an employment or agency relationship.**

47 (1) In an action where a plaintiff seeks punitive damages against an employer or principal based on the conduct of an employee or agent:

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

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

50 (2) 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.

51 (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.

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63 Section 3. Section **78B-8-205** is enacted to read:

64 **78B-8-205 . Limitation on award of punitive damages.**

65 (1)(a) The Legislature finds, determines, and declares that awards of punitive damages
66 for losses or injuries burden the cost of insurance for persons in this state.

67 (b) The Legislature enacts this section placing limitations on the award of punitive
68 damages to ensure the affordability of insurance costs for persons in this state.

69 (2) Nothing in this section limits an award of punitive damages arising from an injury
70 resulting in death.

71 (3) Except as provided in Subsections (4) and (5) and subject to Subsection (2), an award of
72 punitive damages may not exceed the greater of:

73 (a) two times the amount of compensatory damages, not to exceed \$2,500,000; or

74 (b) \$750,000.

75 (4) The limitation described in Subsection (3) does not apply and the limitation described in
76 Subsection (5) applies if the award of punitive damages arises from the tortfeasor
77 engaging in an act described in Subsections 78B-8-201(1)(b)(i) through (iii).

78 (5) Subject to Subsection (2), an award of punitive damages arising from an act described
79 in Subsections 78B-8-201(1)(b)(i) through (iii) may not exceed the greater of:

80 (a) four times the compensatory damages awarded to the injured party, not to exceed
81 \$5,000,000; or

82 (b) \$2,500,000.

83 (6)(a) A court may not disclose the limitation described in Subsection (3) to a jury when
84 instructing the jury to make a determination of the amount of punitive damages to
85 award.

86 (b) If the jury awards punitive damages in an amount exceeding the limit in Subsection
87 (3), the court shall determine whether the conditions of Subsection (5) apply.

88 (c) If the conditions of Subsection (3) do not apply, the court shall reduce the award of
89 punitive damages to the amount described in Subsection (3).

90 Section 4. **Effective Date.**

91 This bill takes effect on May 6, 2026.