

Colin W. Jack proposes the following substitute bill:

Punitive Damages Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ronald M. Winterton

House Sponsor: Colin W. Jack

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 provisions this bill enacts apply only to a claim arising after the effective date of the bill; 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

ENACTS:

78B-8-204, Utah Code Annotated 1953

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

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

31A-20-101 . Underwriting limitations.

(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
34 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.

39 Section 2. Section **78B-8-204** 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
42 damages against an employer or principal based solely on the negligent conduct of an
43 employee or agent, the employer or principal may not be held vicariously liable for
44 punitive damages based solely on the agency or employment relationship.
45 (2) To obtain an award of punitive damages against an employer or principal based solely
46 on the conduct of an employee or agent, a plaintiff shall demonstrate by clear and
47 convincing evidence that:
48 (a) the employer's or principal's conduct was willful, malicious, or in reckless disregard
49 to the rights or safety of others; or
50 (b) the employer or principal authorized, ratified, or approved of the alleged conduct that
51 gave rise to the claim.
52 (3) Subsections (1) and (2) apply to any claim for an award of punitive damages, including
53 a claim for punitive damages arising out of the tortfeasor's operation of a motor vehicle
54 or motorboat while voluntarily intoxicated or under the influence of any drug or
55 combination of alcohol and drugs as prohibited by Section 41-6a-502.
56 (4) 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.

59 Section 3. **Effective Date.**

60 This bill takes effect on May 6, 2026.