

Part 2 **Liability Insurance in General**

31A-22-201 Required provisions of liability insurance policies.

Every liability insurance policy shall provide that the bankruptcy or insolvency of the insured may not diminish any liability of the insurer to third parties, and that if execution against the insured is returned unsatisfied, an action may be maintained against the insurer to the extent that the liability is covered by the policy.

Enacted by Chapter 242, 1985 General Session

31A-22-202 Protection of third-party claimants.

- (1) An insurance contract insuring against loss or damage through legal liability for the bodily injury or death by accident of any person, or for damage to the property of any person, may not be retroactively abrogated to the detriment of any third-party claimant by any agreement between the insurer and insured after the occurrence of any injury, death, or damage for which the insured may be liable. This attempted abrogation is void.
- (2) A motor vehicle liability policy may be rescinded or cancelled as to an insured for fraud, material misrepresentation, or any reason allowable under the law.
- (3) A motor vehicle liability policy may not be rescinded for fraud or material misrepresentation, as to minimum liability coverage limits under Section 31A-22-304, to the detriment of a third party for a loss otherwise covered by the policy.

Amended by Chapter 138, 2016 General Session

31A-22-203 Notice and proof of loss.

Section 31A-21-312 applies to the notice required under liability policies. Subsection 31A-21-312(1) may not be construed to extend the normal provisions of any claims-made coverage that required notice of an occurrence or claim prior to the expiration of the policy for coverage to be in force.

Amended by Chapter 10, 1988 Special Session 2

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31A-22-204 Restriction on limitation of coverage.

No insurer may limit coverage under a policy insuring against legal liability to claims that are first made against the insured while the policy is in force, unless the policy contains on the cover page, a conspicuous statement that the coverage of the policy is limited in that way.

Enacted by Chapter 242, 1985 General Session

31A-22-205 Applicability of restatement of law.

- (1) A restatement of the law of liability insurance is not the law or public policy of this state if the statement of law is inconsistent or in conflict with:
 - (a) the Constitution of the United States;
 - (b) the Utah Constitution;
 - (c) a state statute;

- (d) state case law; or
- (e) state-adopted common law.

(2) Nothing in this section precludes a court from referencing or considering a restatement or other legal treatise.

Enacted by Chapter 32, 2020 General Session