

1 **PROPERTY INSURANCE COVERAGE**

2 2000 GENERAL SESSION

3 STATE OF UTAH

4 **Sponsor: A. Lamont Tyler**

5 AN ACT RELATING TO INSURANCE; REQUIRING THE OFFERING OF COVERAGE  
6 RELATED TO ILLEGAL MANUFACTURE OR STORAGE OF CONTROLLED SUBSTANCE;  
7 AND PROVIDING AN EFFECTIVE DATE.

8 This act affects sections of Utah Code Annotated 1953 as follows:

9 ENACTS:

10 **31A-22-1308**, Utah Code Annotated 1953

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

12 Section 1. Section **31A-22-1308** is enacted to read:

13 **31A-22-1308. Insurance coverage for property damage resulting from illegal**  
14 **controlled substance manufacture or storage.**

15 (1) As used in this section, "controlled substance" is as defined in Section 58-37-2.

16 (2) (a) On or after January 1, 2001, an insurer offering property insurance in this state shall  
17 offer supplemental coverage against loss or damage to real or personal property of every kind and  
18 any interest in that property as a result of the illegal manufacture or storage of a controlled  
19 substance by a person other than the insured.

20 (b) The coverage described in Subsection (2)(a) shall be:

21 (i) at the option of the insured;

22 (ii) for an identifiable additional premium; and

23 (iii) added to the policy by rider.

24 (3) The commissioner shall:

25 (a) by rule establish a maximum amount of supplemental coverage required by Subsection  
26 (2); and

27 (b) subject to Chapter 19a, establish a maximum premium that may be charged for a

28 supplemental coverage required by Subsection (2).

29 Section 2. **Effective date.**

30 This act takes effect on January 1, 2001.

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**Legislative Review Note**

**as of 2-15-00 12:22 PM**

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

**Office of Legislative Research and General Counsel**