

**UNINSURED MOTORIST PROPERTY DAMAGE
COVERAGE AMENDMENTS**

2005 GENERAL SESSION

STATE OF UTAH

Sponsor: Dan R. Eastman

LONG TITLE

General Description:

This bill modifies the Insurance Code to amend uninsured motorist property damage coverage provisions.

Highlighted Provisions:

This bill:

- ▶ allows an insurer to offer higher uninsured motorist property damage coverages at appropriate rates; and
- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

31A-22-305.5, as last amended by Chapter 158, Laws of Utah 1999

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

Section 1. Section **31A-22-305.5** is amended to read:

31A-22-305.5. Uninsured motorist property damage coverage -- Coverage limitations.

(1) (a) At the request of the named insured, every motor vehicle liability policy of insurance under Sections 31A-22-303 and 31A-22-304 or combination of policies purchased to

satisfy the owner's or operator's security requirement of Section 41-12a-301 which policy does not provide insurance for collision damage shall provide uninsured motorist property damage coverage for property damage to the motor vehicle described in the policy.

(b) The uninsured motorist property damage coverage provided under Subsection (1)(a) shall be for the benefit of covered persons, as defined under Section 31A-22-305, who are legally entitled to recover damages:

(i) from the owner or operator of an uninsured motor vehicle, as defined under Subsections 31A-22-305 (2)(a), (c), and (d); and

(ii) arising out of the operation, maintenance, or use of an uninsured motor vehicle.

(2) [The] (a) Except as provided under Subsection (5), the coverage provided under this section shall include payment for loss or damage to the motor vehicle described in the policy, not to exceed the motor vehicle's actual cash value or \$3,500, whichever is less.

(b) Property damage does not include compensation for loss of use of the motor vehicle.

(3) The coverage provided under this section shall be payable only if:

(a) the occurrence causing the property damage involves actual physical contact between the covered motor vehicle and an uninsured motor vehicle;

(b) the owner, operator, or license plate number of the uninsured motor vehicle is identified; and

(c) the insured or someone on his behalf reports the occurrence within ten days to the insurer or his agent.

(4) [The] Except as provided under Subsection (5), the coverage provided under this section shall be subject to a \$250 deductible and shall be excess to any other insurance covering property damage to the motor vehicle described in the policy.

(5) The insurer providing coverage under this section may, at appropriate premium rates, make available additional:

(a) coverage above the limits provided under Subsection (2); and

(b) deductibles [at appropriate premium rates] for the coverage under Subsection (5)(a) above the limits provided under Subsection (4).

(6) ~~[No]~~ A rating surcharge may not be applied to any policy of motor vehicle insurance issued in this state as a result of payment of a claim made under this section.