

1                                   **UNINSURED MOTORIST PROPERTY DAMAGE**  
2                                   **COVERAGE AMENDMENTS**

3                                   2005 GENERAL SESSION

4                                   STATE OF UTAH

5                                   **Sponsor: Dan R. Eastman**

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7   **LONG TITLE**

8   **General Description:**

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

11 **Highlighted Provisions:**

12           This bill:

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

16 **Monies Appropriated in this Bill:**

17           None

18 **Other Special Clauses:**

19           None

20 **Utah Code Sections Affected:**

21 AMENDS:

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

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

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

26           **31A-22-305.5. Uninsured motorist property damage coverage -- Coverage**  
27 **limitations.**



28 (1) (a) At the request of the named insured, every motor vehicle liability policy of  
29 insurance under Sections 31A-22-303 and 31A-22-304 or combination of policies purchased to  
30 satisfy the owner's or operator's security requirement of Section 41-12a-301 which policy does  
31 not provide insurance for collision damage shall provide uninsured motorist property damage  
32 coverage for property damage to the motor vehicle described in the policy.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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**Legislative Review Note**  
as of 12-7-04 8:43 AM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

**Office of Legislative Research and General Counsel**

**Interim Committee Note**  
as of 12-08-04 9:47 AM

The Transportation Interim Committee recommended this bill.

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**Fiscal Note**  
**Bill Number SB0004**

**Uninsured Motorist Property Damage Coverage Amendments**

*12-Jan-05*

*3:48 PM*

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**State Impact**

No fiscal impact

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**Individual and Business Impact**

Carriers will have to change their policy documents and endorsements to reflect the changes required by the bill. The agency/producer community will have to be educated and trained on the coverage offered by each carrier. Costs will vary from company to

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**Office of the Legislative Fiscal Analyst**