

1                                   **MOTOR VEHICLE INSURANCE - PROPERTY**

2   **DAMAGE LIMIT**

3   2005 GENERAL SESSION

4   STATE OF UTAH

5   **Sponsor: Scott K. Jenkins**

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7   **LONG TITLE**

8   **General Description:**

9                   This bill modifies the Insurance Code to amend provisions relating to motor vehicle  
10 liability coverage policy limits.

11 **Highlighted Provisions:**

12                   This bill:

- 13                   ▶ increases the minimum motor vehicle liability coverage limit for injury to or  
14 destruction of property in any one accident from \$15,000 to \$25,000; and
- 15                   ▶ increases the total motor vehicle liability coverage limit in any one accident from  
16 \$65,000 to \$75,000.

17 **Monies Appropriated in this Bill:**

18                   None

19 **Other Special Clauses:**

20                   None

21 **Utah Code Sections Affected:**

22 AMENDS:

23                   **31A-22-304**, as last amended by Chapter 271, Laws of Utah 1993

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

26                   Section 1. Section **31A-22-304** is amended to read:

27                   **31A-22-304. Motor vehicle liability policy minimum limits.**



28 Policies containing motor vehicle liability coverage may not limit the insurer's liability  
29 under that coverage below the following:

30 (1) (a) \$25,000 because of liability for bodily injury to or death of one person, arising  
31 out of the use of a motor vehicle in any one accident;

32 (b) subject to the limit for one person in Subsection (1)(a), in the amount of \$50,000  
33 because of liability for bodily injury to or death of two or more persons arising out of the use of  
34 a motor vehicle in any one accident; and

35 (c) in the amount of [~~\$15,000~~] \$25,000 because of liability for injury to, or destruction  
36 of, property of others arising out of the use of a motor vehicle in any one accident; or

37 (2) [~~\$65,000~~] \$75,000 in any one accident whether arising from bodily injury to or the  
38 death of others, or from destruction of, or damage to, the property of others.

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**Legislative Review Note**  
**as of 1-18-05 9:52 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**

**State Impact**

There are rare circumstances (such as a state employee under the influence of drugs or alcohol) where the state would have to pay up to the increased limit. More often the state would be the beneficiary when they seek reimbursement from someone who has damaged one of our vehicles. While it is difficult to predict an amount, there would be a financial benefit to the state.

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**Individual and Business Impact**

The increase in liability coverage in motor vehicle insurance will slightly increase the premiums for those policyholders that have motor vehicle insurance policies with limits under the new minimum amount. Auto insurance carriers will raise premiums.

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