

**MOTOR VEHICLE INSURANCE AMENDMENTS**

2007 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Sheldon L. Killpack**

House Sponsor: James A. Dunnigan

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**LONG TITLE**

**General Description:**

This bill modifies the Insurance Code by amending provisions relating to motor vehicle insurance.

**Highlighted Provisions:**

This bill:

- ▶ provides that a rental company's owner's or operator's security applies only when there is no other valid or collectible insurance;

- ▶ provides that when there is no other valid or collectible insurance for a rental vehicle, a rental company is required to meet the minimum requirements for owner's or operator's security;

- ▶ clarifies that rental company owner's or operator's security requirements do not expand or reduce liability or impair the rental company's right to indemnity, contribution, or both; and

- ▶ makes technical changes.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**31A-22-314**, as last amended by Chapters 325 and 329, Laws of Utah 1998

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

31 Section 1. Section **31A-22-314** is amended to read:

32 **31A-22-314. Mandatory coverage.**

33 (1) As used in this section, "owner's or operator's security" has the same meaning as  
34 defined in Section 41-12a-103.

35 ~~[(1)]~~ (2) (a) A rental company shall [provide its renters with primary coverage]  
36 maintain owner's or operator's security meeting the requirements of Title 41, Chapter 12a,  
37 Financial Responsibility of Motor Vehicle Owners and Operators Act[, unless there is other  
38 valid or collectible insurance coverage].

39 ~~[(2) All coverage shall include primary defense costs and may not be waived.]~~

40 (b) Owner's or operator's security maintained by a rental company under Subsection  
41 (2)(a) applies only when there is no other valid or collectible insurance or other form of  
42 security meeting the minimum requirements of Title 41, Chapter 12a, Financial Responsibility  
43 of Motor Vehicle Owners and Operators Act.

44 (c) If other valid or collectible insurance or other form of security satisfies the  
45 minimum requirements of Title 41, Chapter 12a, Financial Responsibility of Motor Vehicle  
46 Owners and Operators Act, on a loss involving a rental vehicle, a rental company's obligation  
47 under Title 41, Chapter 12a, Financial Responsibility of Motor Vehicle Owners and Operators  
48 Act, is satisfied.

49 (d) When no other valid or collectible insurance or other form of security exists  
50 meeting the minimum requirements of Title 41, Chapter 12a, Financial Responsibility of Motor  
51 Vehicle Owners and Operators Act, a rental company shall provide security meeting the  
52 minimum requirements of Title 41, Chapter 12a, Financial Responsibility of Motor Vehicle  
53 Owners and Operators Act, for losses involving a rental vehicle.

54 (3) Nothing in this section shall be construed to expand or reduce the liability of a  
55 rental company or to impair a rental company's right to indemnity, contribution, or both.