

MOTOR VEHICLE INSURANCE AMENDMENT

2011 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Mark B. Madsen

House Sponsor: _____

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

► provides that an individual is subject to the insurance adjusting license requirement if:

- the individual is engaged in insurance adjusting as a regular salaried employee of, and not an independent contractor for, an insurer; and

- the individual or the insurer that the individual is working for as a regular salaried employee is found liable for ~~§~~ **[a bad faith cause of action] breach of the implied**

covenant of good faith and fair dealing ~~←§~~ with respect to a motor vehicle insurance coverage policy claim by court of competent jurisdiction in a final unappealable judgment or order; and

► makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:



59 (ii) an estimator;
 60 (iii) an appraiser;
 61 (iv) a marine surveyor;
 62 (v) a private detective;
 63 (vi) an engineer; and
 64 (vii) a handwriting expert;
 65 (h) a holder of a group insurance policy, with respect to administrative activities in
 66 connection with that insurance policy, who receives no compensation for the policyholder's
 67 services beyond the actual expenses estimated on a reasonable basis;

68 (i) an individual engaged in insurance adjusting as a regular salaried employee of, and
 69 not an independent contractor for, an administrator licensed under Chapter 25, Third Party
 70 Administrators; or

71 (j) a person who gives advice or assistance without compensation or expectation of
 72 compensation, direct or indirect.

73 (3) A claim settlement between an insurer and an insured or a claimant under an
 74 insurance policy may not be considered invalid as a result of a violation of this section.

75 (4) (a) Notwithstanding Subsection (2), an individual is subject to the insurance
 76 adjusting license requirement under Subsection (1) if:

77 (i) the individual is engaged in insurance adjusting as a regular salaried employee of,
 78 and not an independent contractor for, an insurer; and

79 (ii) the individual or the insurer that the individual is working for as a regular salaried
 80 employee is found liable for ~~§~~→ [a bad faith cause of action] breach of the implied covenant of
 80a good faith and fair dealing, based upon evidence supporting a pattern of conduct as to indicate
 80b a general business practice by an insurer or a person representing an insurer, ←§ with respect
 80c to a motor vehicle
 81 insurance coverage policy claim by court of competent jurisdiction in a final unappealable
 82 judgment or order.

83 (b) The requirement under Subsection (4)(a) to be licensed shall begin 30 days after the
 84 final unappealable judgment or order is entered that finds the individual or insurer liable for a
 85 bad faith cause of action and shall remain in effect for five years after the final unappealable
 86 judgment or order is entered.