

**Representative Norman K Thurston** proposes the following substitute bill:

**AUTOMOBILE INSURANCE REGISTRY AMENDMENTS**

2017 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Lincoln Fillmore**

House Sponsor: Norman K Thurston

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**LONG TITLE**

**General Description:**

This bill amends provisions related to motor vehicle insurance.

**Highlighted Provisions:**

This bill:

- ▶ amends provisions related to evidence of a motor vehicle owner's or operator's security; and
- ▶ amends post-accident security requirements.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**41-12a-303.2**, as last amended by Laws of Utah 2016, Chapters 303 and 356

**41-12a-501**, as last amended by Laws of Utah 2005, Chapter 2

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

Section 1. Section **41-12a-303.2** is amended to read:



26           **41-12a-303.2. Evidence of owner's or operator's security to be carried when**  
27 **operating motor vehicle -- Defense -- Penalties.**

28           (1) As used in this section:

29           (a) "Division" means the Motor Vehicle Division of the State Tax Commission.

30           (b) "Registration materials" means the evidences of motor vehicle registration,  
31 including all registration cards, license plates, temporary permits, and nonresident temporary  
32 permits.

33           (2) (a) (i) A person operating a motor vehicle shall:

34           (A) have in the person's immediate possession evidence of owner's or operator's  
35 security for the motor vehicle the person is operating; and

36           (B) display it upon demand of a peace officer.

37           (ii) A person is exempt from the requirements of Subsection (2)(a)(i) if the person is  
38 operating:

39           (A) a government-owned or leased motor vehicle; or

40           (B) an employer-owned or leased motor vehicle and is driving it with the employer's  
41 permission.

42           (iii) A person operating a vehicle that is owned by a rental company, as defined in  
43 Section 31A-22-311, may comply with Subsection (2)(a)(i) by having in the person's  
44 immediate possession, or displaying, the rental vehicle's rental agreement, as defined in Section  
45 31A-22-311.

46           (b) Evidence of owner's or operator's security includes any one of the following:

47           (i) a copy of the operator's valid:

48           (A) insurance policy;

49           (B) insurance policy declaration page;

50           (C) binder notice;

51           (D) renewal notice; or

52           (E) card issued by an insurance company as evidence of insurance;

53           (ii) a certificate of insurance issued under Section 41-12a-402;

54           (iii) a certified copy of a surety bond issued under Section 41-12a-405;

55           (iv) a certificate of the state treasurer issued under Section 41-12a-406;

56           (v) a certificate of self-funded coverage issued under Section 41-12a-407; or

57 (vi) information that the vehicle or driver is insured from the Uninsured Motorist  
58 Identification Database Program created under Title 41, Chapter 12a, Part 8, Uninsured  
59 Motorist Identification Database Program.

60 (c) A card issued by an insurance company as evidence of owner's or operator's  
61 security under Subsection (2)(b)(i)(E) on or after July 1, 2014, may not display the owner's or  
62 operator's address on the card.

63 (d) (i) A person may provide to a peace officer evidence of owner's or operator's  
64 security described in this Subsection (2) in:

65 (A) a hard copy format; or

66 (B) an electronic format using a mobile electronic device.

67 (ii) If a person provides evidence of owner's or operator's security in an electronic  
68 format using a mobile electronic device under this Subsection (2)(d), the peace officer viewing  
69 the owner's or operator's security on the mobile electronic device may not view any other  
70 content on the mobile electronic device.

71 (iii) Notwithstanding any other provision under this section, a peace officer is not  
72 subject to civil liability or criminal penalties under this section if the peace officer inadvertently  
73 views content other than the evidence of owner's or operator's security on the mobile electronic  
74 device.

75 (e) (i) Evidence of owner's or operator's security from the Uninsured Motorist  
76 Identification Database Program described under Subsection (2)(b)(vi) supercedes any  
77 evidence of owner's or operator's security described under Subsection (2)(b)(i)(D) or (E).

78 (ii) A peace officer may not cite or arrest a person for a violation of Subsection (2)(a) if  
79 the Uninsured Motorist Identification Database Program created under Title 41, Chapter 12a,  
80 Part 8, Uninsured Motorist Identification Database Program, information indicates that the  
81 vehicle or driver is insured.

82 (3) It is an affirmative defense to a charge or in an administrative action under this  
83 section that the person had owner's or operator's security in effect for the vehicle the person  
84 was operating at the time of the person's citation or arrest.

85 ~~[(4) (a) Evidence of owner's or operator's security as defined under Subsection (2)(b) or~~  
86 ~~a written statement from an insurance producer or company verifying that the person had the~~  
87 ~~required motor vehicle insurance coverage on the date specified is considered proof of owner's~~

88 ~~or operator's security for purposes of Subsection (3) and Section 41-12a-804.]~~

89 (4) (a) The following are considered proof of owner's or operator's security for  
90 purposes of Subsection (3) and Section 41-12a-804:

91 (i) evidence defined in Subsection (2)(b);

92 (ii) a written statement from an insurance producer or company verifying that the  
93 person had the required motor vehicle insurance coverage on the date specified; or

94 (iii) a written statement from an insurance producer or company, or provision in an  
95 insurance policy, indicating that the policy provides coverage for a newly purchased car and the  
96 coverage extended to the date specified.

97 (b) The court considering a citation issued under this section shall allow the evidence  
98 or a written statement under Subsection (4)(a) and a copy of the citation to be faxed or mailed  
99 to the clerk of the court to satisfy Subsection (3).

100 (c) The notice under Section 41-12a-804 shall specify that the written statement under  
101 Subsection (4)(a) and a copy of the notice shall be faxed or mailed to the designated agent to  
102 satisfy the proof of owner's or operator's security required under Section 41-12a-804.

103 (5) A violation of this section is an infraction, and the fine shall be not less than:

104 (a) \$400 for a first offense; and

105 (b) \$1,000 for a second and subsequent offense within three years of a previous  
106 conviction or bail forfeiture.

107 (6) Upon receiving notification from a court of a conviction for a violation of this  
108 section, the department:

109 (a) shall suspend the person's driver license; and

110 (b) may not renew the person's driver license or issue a driver license to the person  
111 until the person gives the department proof of owner's or operator's security.

112 (i) This proof of owner's or operator's security shall be given by any of the ways  
113 required under Section 41-12a-401.

114 (ii) This proof of owner's or operator's security shall be maintained with the department  
115 for a three-year period.

116 (iii) An insurer that provides a certificate of insurance as provided under Section  
117 41-12a-402 or 41-12a-403 may not terminate the insurance policy unless notice of termination  
118 is filed with the department no later than 10 days after termination as required under Section

119 41-12a-404.

120 (iv) If a person who has canceled the certificate of insurance applies for a license  
121 within three years from the date proof of owner's or operator's security was originally required,  
122 the department shall refuse the application unless the person reestablishes proof of owner's or  
123 operator's security and maintains the proof for the remainder of the three-year period.

124 Section 2. Section **41-12a-501** is amended to read:

125 **41-12a-501. Post-accident security.**

126 (1) (a) Unless excepted under Subsection (2), the operator of a motor vehicle involved  
127 in an accident in the state and any owner who has not previously satisfied the requirement of  
128 security under Section [41-12a-301](#) shall file post-accident security with the department for the  
129 benefit of persons obtaining judgments against the operator on account of bodily injury, death,  
130 or property damage caused by the accident.

131 (b) The security shall be in an amount determined by the department to be sufficient to  
132 satisfy judgments arising from bodily injury, death, or property damage resulting from the  
133 accident that may be recovered against the operator, but may not exceed the minimum single  
134 limit under Subsection [31A-22-304\(2\)](#).

135 (c) The department shall determine the amount of post-accident security on the basis of  
136 reports and other evidence submitted to the department by interested parties, including officials  
137 investigating the accident.

138 (d) In setting the amount of post-accident security, the department may not take into  
139 account alleged damages resulting from pain and suffering.

140 (e) Persons who fail to file required post-accident security are subject to the penalties  
141 under Subsection (3).

142 (2) The operator is exempted from the post-accident requirement under Subsection (1)  
143 if any of the following conditions are satisfied:

144 (a) No bodily injury, death, or damage to the property of one person in excess of the  
145 damage limit specified under Section [41-6a-401](#) resulted from the accident.

146 (b) No injury, death, or property damage was suffered by any person other than the  
147 owner or operator.

148 (c) The owner of the motor vehicle was in compliance with the owner's security  
149 requirement under Section [41-12a-301](#) at the time of the accident and the operator had

150 permission from the owner to operate the motor vehicle.

151 (d) The operator was in compliance with the operator's security requirement under  
152 Section 41-12a-301 at the time of the accident.

153 (e) The operator has filed satisfactory evidence with the department that the operator  
154 has been released from liability, has been finally adjudicated not to be liable, or has executed a  
155 duly acknowledged written agreement providing for the payment of an agreed amount in  
156 installments with respect to all claims for injuries or damages resulting from the accident and is  
157 not in default on that agreement.

158 (f) The motor vehicle involved in the accident was operated by a nonresident who had  
159 an insurance policy or bond covering the accident, but not fully complying with the policy  
160 provision requirements under Section 31A-22-302, if the policy or bond is sufficient to provide  
161 full recovery for claimants and the policy or bond is issued by an insurer licensed in the state.

162 (g) The operator at the time of the accident was operating a motor vehicle owned or  
163 leased by the operator's employer and driven with the employer's permission.

164 (h) Evidence as to the extent of injuries or property damage caused by the accident has  
165 not been submitted by or on behalf of any person affected by the accident within [~~six months~~]  
166 three years following the date of the accident.

167 (i) The motor vehicle was legally parked at the time of the accident.

168 (j) The motor vehicle was an emergency vehicle acting in the line of duty at the time of  
169 the accident.

170 (k) The motor vehicle involved in the accident is owned by the United States, this state,  
171 or any political subdivision of this state, if the operator was using the vehicle with the  
172 permission of the owner.

173 (l) The motor vehicle was legally stopped at a stop sign, traffic signal, or at the  
174 direction of a peace officer at the time of the accident.

175 (3) (a) If an operator who is required to file post-accident security under Subsection (1)  
176 does not do so within 10 days after receiving notice of the requirement of security, the  
177 department shall suspend the driver's license of the operator and all registrations of the owner,  
178 if he is a resident of the state.

179 (b) If the operator is not a resident of Utah, the department shall suspend the privilege  
180 of operating a motor vehicle within the state and of using, in the state, any owned motor

181 vehicle.

182 (c) Notice of these suspensions shall be sent to the owner or operator no less than 15

183 days prior to the effective date of the suspension.