1	SERVICE SOFTWARE APPLICATIONS AND
2	REGISTRATION REQUIREMENTS
3	2018 GENERAL SESSION
4	STATE OF UTAH
5	Chief Sponsor: Daniel McCay
6	Senate Sponsor:
7 8	LONG TITLE
)	General Description:
)	This bill creates regulations and provisions related to services provided over software
	applications.
2	Highlighted Provisions:
3	This bill:
4	defines terms;
5	 requires a rental network company to register with the Division of Consumer
6	Protection;
7	exempts a rental network company from certain requirements;
3	 provides operational requirements for a rental network company;
)	 provides insurance requirements for a rental network company;
)	 establishes fees for noncompliance of a rental network company;
	 establishes a presumption that a building contractor is an independent contractor;
2	and
3	 makes technical and conforming changes.
ļ	Money Appropriated in this Bill:
	None
	Other Special Clauses:
7	This bill provides a coordination clause.



29 AMENDS: 13-48-102, as enacted by Laws of Utah 2011, Chapter 357 30 31 31A-21-303, as last amended by Laws of Utah 2015, Chapter 385 32 **31A-21-311**, as last amended by Laws of Utah 2003, Chapter 252 33 31A-22-311, as last amended by Laws of Utah 1994, Chapter 316 34 41-1a-214, as last amended by Laws of Utah 2016, Chapter 356 35 41-12a-303.2, as last amended by Laws of Utah 2017, Chapter 416 36 ENACTS: 37 13-52-101, Utah Code Annotated 1953 38 13-52-102, Utah Code Annotated 1953 39 13-52-103, Utah Code Annotated 1953 40 13-52-201, Utah Code Annotated 1953 41 13-52-202, Utah Code Annotated 1953 42 13-52-301, Utah Code Annotated 1953 43 13-52-302, Utah Code Annotated 1953 44 13-52-303, Utah Code Annotated 1953 45 13-52-304, Utah Code Annotated 1953 46 13-52-305, Utah Code Annotated 1953 47 13-52-306, Utah Code Annotated 1953 13-52-307, Utah Code Annotated 1953 48 49 13-52-401, Utah Code Annotated 1953 50 13-52-402, Utah Code Annotated 1953 51 13-52-501, Utah Code Annotated 1953 52 13-52-502, Utah Code Annotated 1953 53 **31A-22-323**, Utah Code Annotated 1953 54 **31A-22-324**, Utah Code Annotated 1953 55 **31A-22-325**, Utah Code Annotated 1953 56 **34-53-101**, Utah Code Annotated 1953 57 **34-53-102**, Utah Code Annotated 1953 **34-53-201.** Utah Code Annotated 1953 58

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Utah Code Sections Affected:

Utah Code Sections Affected by Coordination Clause:
34-53-101 , Utah Code Annotated 1953
34-53-102 , Utah Code Annotated 1953
34-53-201, Utah Code Annotated 1953
Be it enacted by the Legislature of the state of Utah:
Section 1. Section 13-48-102 is amended to read:
13-48-102. Definitions.
As used in this chapter:
(1) "Motor vehicle license cost recovery fee" means a fee or charge that may be
separately stated and charged on the short-term motor vehicle lease or rental contract in a
motor vehicle lease or rental transaction originating in this state to recover the costs incurred by
a motor vehicle rental company to license, title, register, obtain license plates for, and inspect
rental motor vehicles.
(2) (a) "Motor vehicle rental company" means any person or organization in the
business of renting motor vehicles to the public.
(b) "Motor vehicle rental company" does not include a rental network company, as
defined in Section 13-52-102.
Section 2. Section 13-52-101 is enacted to read:
CHAPTER 52. RENTAL NETWORK COMPANY REGISTRATION ACT
Part 1. General Provisions
<u>13-52-101.</u> Title.
This chapter is known as "Rental Network Company Registration Act."
Section 3. Section 13-52-102 is enacted to read:
13-52-102. Definitions.
As used in this chapter:
(1) (a) "Authorized driver" means the renter of a private motor vehicle.
(b) "Authorized driver" includes:
(i) the renter's spouse, if the spouse is a licensed driver satisfying the rental network
company's minimum age requirement;
(ii) the renter's employer or coworker, if engaged in business activity with the renter

90	and if licensed drivers satisfying the rental network company's minimum age requirement;
91	(iii) a person who operates the vehicle during an emergency situation;
92	(iv) a person who operates the vehicle while parking the vehicle at a commercial
93	establishment; or
94	(v) a person expressly listed by the rental network company on the rental agreement as
95	an authorized driver.
96	(2) "Blanket insurance policy" means the same as that term is defined in Section
97	<u>31A-1-301</u> .
98	(3) "Division" means the Division of Consumer Protection within the Department of
99	Commerce.
100	(4) (a) "Motor vehicle" means a self-propelled vehicle that:
101	(i) is designed for use upon a highway;
102	(ii) has a gross weight rating of 10,000 pounds or less;
103	(iii) is not used for the commercial delivery of goods or materials; and
104	(iv) is not used for the commercial transportation of goods or materials.
105	(b) "Motor vehicle" does not include:
106	(i) an off-highway vehicle as defined in Section 41-22-2;
107	(ii) a traction engine;
108	(iii) a road roller;
109	(iv) a farm tractor;
110	(v) a tractor crane;
111	(vi) a power shovel;
112	(vii) a well driller; or
113	(viii) a vehicle:
114	(A) propelled by electric power obtained from overhead wires; and
115	(B) not operated upon rails.
116	(5) (a) "Private motor vehicle" means a motor vehicle that:
117	(i) is currently registered;
118	(ii) an individual owns; and
119	(iii) if the motor vehicle is required to be insured under Title 41, Chapter 12a, Financial
120	Responsibility of Motor Vehicle Owners and Operators Act, an individual insures under a

121	personal motor vehicle liability insurance policy insuring:
122	(A) the individual; or
123	(B) the individual and individuals residing in the same household as the individual.
124	(b) "Private motor vehicle" does not include a motor vehicle with fewer than four
125	wheels.
126	(6) "Private vehicle rental" means the use of a private motor vehicle:
127	(a) by a person other than the private motor vehicle's owner; and
128	(b) through a software application.
129	(7) "Rental agreement" means any written agreement stating the terms and conditions
130	governing the use of a private motor vehicle provided by a rental network company through a
131	software application.
132	(8) "Rental network company" means an entity that:
133	(a) uses a software application to connect a renter to a private motor vehicle; and
134	(b) does not own or lease a private motor vehicle used in a private vehicle rental.
135	(9) "Rental period" means the period of time:
136	(a) beginning when an authorized driver takes possession and control of a private
137	motor vehicle that the renter rents through a software application; and
138	(b) ending when:
139	(i) (A) the rental vehicle owner or rental vehicle owner's designee retrieves the private
140	motor vehicle;
141	(B) the renter returns the private motor vehicle to a location upon which the rental
142	vehicle owner and the renter agree; or
143	(C) the renter returns the private motor vehicle to a location the rental network
144	company designates; and
145	(ii) (A) the time period established in the rental agreement expires;
146	(B) the renter verifiably communicates to the rental network company or rental vehicle
147	owner that the renter considers the rental period terminated; or
148	(C) the rental vehicle owner or the rental network company takes possession and
149	control of the private motor vehicle.
150	(10) "Rental vehicle owner" means an individual who:
151	(a) owns and registers a private motor vehicle that the individual makes available for

152	rent through a rental network company's software application; and
153	(b) receives compensation in exchange for renting the individual's private motor
154	vehicle.
155	(11) "Renter" means a person who rents a rental vehicle owner's private motor vehicle:
156	(a) through a software application; and
157	(b) for the purpose of allowing an authorized driver to possess and control the private
158	motor vehicle during the rental period.
159	(12) "Software application" means an Internet-connected software platform, including
160	a mobile application, that a rental network company uses to:
161	(a) connect a rental vehicle owner to a renter; and
162	(b) process a renter's request to rent a rental vehicle owner's private motor vehicle.
163	Section 4. Section 13-52-103 is enacted to read:
164	<u>13-52-103.</u> Scope.
165	A rental network company or a rental vehicle owner is not subject to:
166	(1) Title 13, Chapter 48, Motor Vehicle Rental Company Disclosure Act; or
167	(2) the provisions of Section 31A-22-312 or 31A-22-314.
168	Section 5. Section 13-52-201 is enacted to read:
169	Part 2. Division Oversight of Rental Network Companies
170	13-52-201. Registration of a rental network company.
171	(1) A person may not operate as a rental network company in this state, unless the
172	person registers with the division in accordance with Subsection (2).
173	(2) The division shall register a person to operate as a rental network company if the
174	person:
175	(a) demonstrates to the division that the person meets the definition of a rental network
176	company under Section 13-52-102; and
177	(b) pays a registration fee in an amount determined by the division in accordance with
178	Section 63J-1-504.
179	(3) A rental network company registration described in Subsection (2) is:
180	(a) valid for one year after the day on which the rental network company registers with
181	the division; and
182	(b) renewable if the division determines that the person complies with the requirements

183	for a rental network company described in this chapter.
184	Section 6. Section 13-52-202 is enacted to read:
185	13-52-202. Division audits of rental network companies.
186	The division may audit the records of a rental network company to ensure compliance
187	with the provisions of this chapter:
188	(1) no more than twice per year;
189	(2) at a location agreed to by the division and the rental network company; and
190	(3) notwithstanding Subsection (1), at any time to investigate a complaint.
191	Section 7. Section 13-52-301 is enacted to read:
192	Part 3. Operating Requirements
193	13-52-301. Agent for service of process requirement.
194	A rental network company shall maintain an agent for service of process in the state and
195	notify the division of the name and address of the agent.
196	Section 8. Section 13-52-302 is enacted to read:
197	13-52-302. Facilitating a motor vehicle rental.
198	For each motor vehicle of which a rental network company facilitates a rental, the rental
199	network company shall:
200	(1) require that the vehicle is a private motor vehicle;
201	(2) provide the rental vehicle owner with suitable proof of compliance with the
202	insurance requirements of this chapter; and
203	(3) require that the motor vehicle comply with the minimum financial responsibility
204	requirements of the state in which the vehicle is registered.
205	Section 9. Section 13-52-303 is enacted to read:
206	13-52-303. Rental network company equipment Indemnification.
207	A rental network company shall:
208	(1) to the extent necessary for the motor vehicle to be used in a private vehicle rental,
209	facilitate the installation, operation, and maintenance of the rental network company's own
210	signage and computer hardware and software in the motor vehicle; and
211	(2) indemnify and hold harmless the rental vehicle owner for:
212	(a) the cost of damage to, or theft of, equipment the rental network company installs,
213	operates, and maintains under Subsection (1); and

214	(b) any damage the installation, operation, or maintenance of equipment described in
215	Subsection (1) causes to the motor vehicle.
216	Section 10. Section 13-52-304 is enacted to read:
217	13-52-304. Records.
218	A rental network company shall:
219	(1) collect, maintain, and make available, at the cost of the rental network company, to
220	any government agency as required by law:
221	(a) information regarding the rental vehicle owner's primary motor vehicle liability
222	insurer;
223	(b) information regarding the renter's primary motor vehicle, excess, or umbrella
224	insurer; and
225	(c) the following information pertaining to an incident that occurs during a rental
226	period:
227	(i) verifiable records of the rental period for the motor vehicle involved in the incident;
228	(ii) to the extent electronic equipment for monitoring the following information is
229	installed in the motor vehicle, verifiable electronic records of the time in relation to initial and
230	final locations of the motor vehicle; and
231	(iii) if an insurance claim is with a blanket insurer, information relevant to the claim,
232	including a rental network company payment related to an accident, any damage, or an injury;
233	<u>and</u>
234	(2) maintain a record of:
235	(i) each rental, for a minimum of five years after the day on which a rental period ends;
236	<u>and</u>
237	(ii) all information in the rental network company's possession regarding a rental
238	vehicle owner for a minimum of five years after the day on which the rental vehicle owner last
239	made a private motor vehicle available for private vehicle rental through the rental network
240	company.
241	Section 11. Section 13-52-305 is enacted to read:
242	13-52-305. Disclosure requirements.
243	(1) Before a private motor vehicle is made available for use through a software
244	application, the rental network company shall disclose to the owner of the private motor

245	vehicle:
246	(a) a description of the insurance coverage the rental network company provides under
247	Part 4, Insurance;
248	(b) that during a private vehicle rental, a rental vehicle owner's personal motor vehicle
249	liability insurer may exclude any and all coverage afforded to the personal motor vehicle
250	liability insurer's policy;
251	(c) that a rental vehicle owner's personal motor vehicle liability insurer has the right to
252	notify an insured that the personal motor vehicle liability insurer does not have a duty to defend
253	or indemnify a person for liability for loss that occurs during a private vehicle rental;
254	(d) that the rental network company's blanket policy may not provide coverage outside
255	of the private vehicle rental;
256	(e) that, if the private motor vehicle the rental vehicle owner makes available for
257	private vehicle rental has a lien against the private motor vehicle, the rental vehicle owner is
258	required to notify the lienholder that the rental network company is using the private motor
259	vehicle to provide private vehicle rentals; and
260	(f) that using a private motor vehicle against which there is a lien in a private vehicle
261	rental may violate the rental vehicle owner's contract with the lienholder.
262	(2) Before a renter's first operation of a private motor vehicle through a software
263	application, the rental network company using the software application shall disclose to the
264	renter the information described in Subsections (1)(b) through (d).
265	Section 12. Section 13-52-306 is enacted to read:
266	13-52-306. Transactional information provided to a renter.
267	(1) For each private vehicle rental transaction made through a software application, the
268	rental network company shall provide the rental agreement to the renter at the time of the
269	rental.
270	(2) Within 24 hours after the end of a rental period, the rental company that facilitated
271	the rental shall transmit an electronic receipt to the renter that lists:
272	(a) the dates and times indicating the beginning and end of the rental period;
273	(b) the total number of miles driven during the rental period; and
274	(c) an itemization of the total rental rate the renter paid, if any.
275	Section 13. Section 13-52-307 is enacted to read:

276	13-52-307. Collection of funds.
277	A rental network company may collect, on behalf of a rental vehicle owner, a rental rate
278	for a private vehicle rental if the rental network company:
279	(1) posts the method for calculating the rental rate on the rental network company's
280	software application;
281	(2) permits a rental vehicle owner to set the rental rate for the rental vehicle owner's
282	private motor vehicle; and
283	(3) allows a renter the option to obtain an estimated rental rate for a private vehicle
284	rental before the renter reserves a private vehicle rental.
285	Section 14. Section 13-52-401 is enacted to read:
286	Part 4. Insurance
287	13-52-401. Insurance requirements.
288	(1) A rental network company shall maintain a blanket insurance policy that, during a
289	rental period:
290	(a) covers, on a primary basis:
291	(i) an authorized driver; and
292	(ii) an occupant of the private motor vehicle; and
293	(b) includes:
294	(i) liability coverage for a minimum amount of \$1,000,000 per occurrence;
295	(ii) personal injury protection to the extent required under Sections 31A-22-306
296	through 31A-22-309;
297	(iii) uninsured motorist coverage in accordance with Section 31A-22-305; and
298	(iv) underinsured motorist coverage in accordance with Section 31A-22-305.3.
299	(2) A rental network company shall maintain a blanket insurance policy that:
300	(a) covers, on a primary basis, the use of a private motor vehicle while in the custody
301	of the rental network company, including use by an agent, employee, director, officer, or assign
302	of the rental network company; and
303	(b) includes:
304	(i) liability coverage in a minimum amount, per occurrence, of:
305	(A) \$50,000 to any one individual;
306	(B) \$100,000 to all individuals; and

307	(C) \$30,000 for property damage;
308	(ii) personal injury protection to the extent required under Sections 31A-22-306
309	<u>through 31A-22-309;</u>
310	(iii) uninsured motorist coverage in accordance with Section 31A-22-305; and
311	(iv) underinsured motorist coverage in accordance with Section 31A-22-305.3.
312	Section 15. Section 13-52-402 is enacted to read:
313	13-52-402. Coordination of insurance coverage Notification.
314	(1) A blanket insurance policy described in Subsection 13-52-401(1) is:
315	(a) primary with respect to any other insurance available to the rental vehicle owner;
316	<u>and</u>
317	(b) secondary with respect to any other insurance available to the renter, authorized
318	driver, or occupant of the private motor vehicle.
319	(2) A blanket insurance policy under Subsection 13-52-401(2) is primary with respect
320	to any other insurance available to the rental vehicle owner.
321	(3) A rental network company shall notify the rental vehicle owner's personal motor
322	vehicle liability insurer of a dispute described in Subsection 31A-22-325(3) within 10 business
323	days after the day on which the rental network company became aware of the dispute.
324	Section 16. Section 13-52-501 is enacted to read:
325	Part 5. Miscellaneous
326	<u>13-52-501.</u> Violations.
327	The division may fine a rental network company up to \$500 for each violation of this
328	chapter.
329	Section 17. Section 13-52-502 is enacted to read:
330	13-52-502. Non-preemption clause.
331	This chapter does not supersede a municipal, county, or local government regulation
332	regarding a rental network company, including a rental network company facilitating a private
333	vehicle rental at an airport.
334	Section 18. Section 31A-21-303 is amended to read:
335	31A-21-303. Cancellation, issuance, renewal.
336	(1) (a) Except as otherwise provided in this section, other statutes, or by rule under
337	Subsection (1)(c), this section applies to all policies of insurance:

338	(i) except for:
339	(A) life insurance;
340	(B) accident and health insurance; and
341	(C) annuities; and
342	(ii) if the policies of insurance are issued on forms that are subject to filing under
343	Subsection 31A-21-201(1).
344	(b) A policy may provide terms more favorable to insureds than this section requires.
345	(c) The commissioner may by rule totally or partially exempt from this section classes
346	of insurance policies in which the insureds do not need protection against arbitrary or
347	unannounced termination.
348	(d) The rights provided by this section are in addition to and do not prejudice any other
349	rights the insureds may have at common law or under other statutes.
350	(2) (a) As used in this Subsection (2), "grounds" means:
351	(i) material misrepresentation;
352	(ii) substantial change in the risk assumed, unless the insurer should reasonably have
353	foreseen the change or contemplated the risk when entering into the contract;
354	(iii) substantial breaches of contractual duties, conditions, or warranties;
355	(iv) attainment of the age specified as the terminal age for coverage, in which case the
356	insurer may cancel by notice under Subsection (2)(c), accompanied by a tender of proportional
357	return of premium; or
358	(v) in the case of motor vehicle insurance, revocation or suspension of the driver's
359	license of:
360	(A) the named insured; or
361	(B) any other person who customarily drives the motor vehicle.
362	(b) (i) Except as provided in Subsection (2)(e) or unless the conditions of Subsection
363	(2)(b)(ii) are met, an insurance policy may not be canceled by the insurer before the earlier of:
364	(A) the expiration of the agreed term; or
365	(B) one year from the effective date of the policy or renewal.
366	(ii) Notwithstanding Subsection (2)(b)(i), an insurance policy may be canceled by the
367	insurer for:
368	(A) nonpayment of a premium when due; or

(B) subject to Subsection (2)(f), on grounds defined in Subsection (2)(a).

- (c) (i) The cancellation provided by Subsection (2)(b), except cancellation for nonpayment of premium, is effective no sooner than 30 days after the delivery or first-class mailing of a written notice to the policyholder.
- (ii) Cancellation for nonpayment of premium is effective no sooner than 10 days after delivery or first class mailing of a written notice to the policyholder.
- (d) (i) Notice of cancellation for nonpayment of premium shall include a statement of the reason for cancellation.
- (ii) Subsection (7) applies to the notice required for grounds of cancellation other than nonpayment of premium.
- (e) (i) Subsections (2)(a) through (d) do not apply to any insurance contract that has not been previously renewed if the contract has been in effect less than 60 days when the written notice of cancellation is mailed or delivered.
- (ii) A cancellation under this Subsection (2)(e) may not be effective until at least 10 days after the delivery to the insured of a written notice of cancellation.
- (iii) If the notice required by this Subsection (2)(e) is sent by first-class mail, postage prepaid, to the insured at the insured's last-known address, delivery is considered accomplished after the passing, since the mailing date, of the mailing time specified in the Utah Rules of Civil Procedure.
- (iv) A policy cancellation subject to this Subsection (2)(e) is not subject to the procedures described in Subsection (7).
- (f) In the case of motor vehicle insurance, an insurance policy may not be canceled solely based on the participation of a motor vehicle that is covered by the motor vehicle insurance policy in a private vehicle rental, as defined in Section 13-52-102, unless:
- (i) the motor vehicle owner, in combination with all individuals residing in the same household as the motor vehicle owner, uses a software application, as defined in Section 13-52-102, or combination of software applications, to rent or make available for rent, more than four motor vehicles at one time; or
- (ii) (A) the motor vehicle is enrolled in a usage-based insurance program as defined in Subsection (2)(g); and
 - (B) immediately after cancellation of the policy the insurer offers the insured a new

400	policy with the same coverages and pre-existing rates, but without enrollment in the
401	usage-based insurance program as defined in Subsection (2)(g).
402	(g) As used in Subsections (2)(f) and (5)(a)(iv), "usage-based insurance program"
403	means motor vehicle insurance under the terms of which the insurer is permitted to:
404	(i) electronically monitor acceleration, braking, miles driven, and other indicia of
405	driving behavior; and
406	(ii) determine costs based on the behavior observed under Subsection (2)(g)(i).
407	(3) A policy may be issued for a term longer than one year or for an indefinite term if
408	the policy includes a clause providing for cancellation by the insurer by giving notice as
409	provided in Subsection (4)(b)(i) 30 days prior to any anniversary date.
410	(4) (a) Subject to Subsections (2), (3), and (4)(b), a policyholder has a right to have the
411	policy renewed:
412	(i) on the terms then being applied by the insurer to similar risks; and
413	(ii) (A) for an additional period of time equivalent to the expiring term if the agreed
414	term is one year or less; or
415	(B) for one year if the agreed term is longer than one year.
416	(b) Except as provided in Subsections (4)(c) and (5), the right to renewal under
417	Subsection (4)(a) is extinguished if:
418	(i) at least 30 days before the policy expiration or anniversary date a notice of intention
419	not to renew the policy beyond the agreed expiration or anniversary date is delivered or sent by
420	first-class mail by the insurer to the policyholder at the policyholder's last-known address;
421	(ii) not more than 45 nor less than 14 days before the due date of the renewal premium,
422	the insurer delivers or sends by first-class mail a notice to the policyholder at the policyholder's
423	last-known address, clearly stating:
424	(A) the renewal premium;
425	(B) how the renewal premium may be paid, including the due date for payment of the
426	renewal premium;
427	(C) that failure to pay the renewal premium extinguishes the policyholder's right to
428	renewal; and
429	(D) subject to Subsection (4)(e), that the extinguishment of the right to renew for
430	nonpayment of premium is effective no sooner than at least 10 days after delivery or first class

431	mailing of a written notice to the policyholder that the policyholder has failed to pay the			
432	premium when due;			
433	(iii) the policyholder has:			
434	(A) accepted replacement coverage; or			
435	(B) requested or agreed to nonrenewal; or			
436	(iv) the policy is expressly designated as nonrenewable.			
437	(c) Unless the conditions of Subsection (4)(b)(iii) or (iv) apply, an insurer may not fail			
438	to renew an insurance policy as a result of a telephone call or other inquiry that:			
439	(i) references a policy coverage; and			
440	(ii) does not result in the insured requesting payment of a claim.			
441	(d) Failure to renew under this Subsection (4) is subject to Subsection (5).			
442	(e) (i) During the period that begins when the notice described in Subsection			
443	(4)(b)(ii)(D) is delivered or mailed and ends when the premium is paid, coverage exists and			
444	premiums are due.			
445	(ii) If after receiving the notice required by Subsection (4)(b)(ii)(D) a policyholder fails			
446	to pay the renewal premium, the coverage is extinguished as of the date the renewal premium is			
447	originally due.			
448	(iii) Delivery of the notice required by Subsection (4)(b)(ii)(D) includes electronic			
449	delivery in accordance with Section 31A-21-316.			
450	(iv) An insurer is not subject to Subsection (4)(b)(ii)(D) if it provides notice of the			
451	extinguishment of the right to renew for failure to pay premium at least 15 days, but no longer			
452	than 45 days, before the day the renewal payment is due.			
453	(v) Subsection (4)(b)(ii)(D) does not apply to a policy that provides coverage for 30			
454	days or less.			
455	(5) Notwithstanding Subsection (4), an insurer may not fail to renew the following			
456	personal lines insurance policies solely on the basis of:			
457	(a) in the case of a motor vehicle insurance policy:			
458	(i) a claim from the insured that:			
459	(A) results from an accident in which:			
460	(I) the insured is not at fault; and			
461	(II) the driver of the motor vehicle that is covered by the motor vehicle insurance			

462	policy is 21 years of age or older; and		
463	(B) is the only claim meeting the condition of Subsection (5)(a)(i)(A) within a		
464	36-month period;		
465	(ii) a single traffic violation by an insured that:		
466	(A) is a violation of a speed limit under Title 41, Chapter 6a, Traffic Code;		
467	(B) is not in excess of 10 miles per hour over the speed limit;		
468	(C) is not a traffic violation under:		
469	(I) Section 41-6a-601;		
470	(II) Section 41-6a-604; or		
471	(III) Section 41-6a-605;		
472	(D) is not a violation by an insured driver who is younger than 21 years of age; and		
473	(E) is the only violation meeting the conditions of Subsections (5)(a)(ii)(A) through		
474	(D) within a 36-month period; [or]		
475	(iii) a claim for damage that:		
476	(A) results solely from:		
477	(I) wind;		
478	(II) hail;		
479	(III) lightning; or		
480	(IV) an earthquake;		
481	(B) is not preventable by the exercise of reasonable care; and		
482	(C) is the only claim meeting the conditions of Subsections (5)(a)(iii)(A) and (B)		
483	within a 36-month period; [and] or		
484	(iv) the owner of the motor vehicle covered by a motor vehicle insurance policy using		
485	the motor vehicle in a private vehicle rental, as defined in Section 13-52-102, unless:		
486	(A) the vehicle is enrolled in a usage-based insurance program, as defined in		
487	Subsection (2)(g); and		
488	(B) immediately after cancellation of the policy the insurer offers the insured a new		
489	policy with the same coverages and pre-existing rates, but without enrollment in the		
490	usage-based insurance program; and		
491	(b) in the case of a homeowner's insurance policy, a claim by the insured that is for		
492	damage that:		

493	(i) results solely from:
494	(A) wind;
495	(B) hail; or
496	(C) lightning;
497	(ii) is not preventable by the exercise of reasonable care; and
498	(iii) is the only claim meeting the conditions of Subsections (5)(b)(i) and (ii) within a
499	36-month period.
500	(6) (a) (i) Subject to Subsection (6)(b), if the insurer offers or purports to renew the
501	policy, but on less favorable terms or at higher rates, the new terms or rates take effect on the
502	renewal date if the insurer delivered or sent by first-class mail to the policyholder notice of the
503	new terms or rates at least 30 days prior to the expiration date of the prior policy.
504	(ii) If the insurer did not give the prior notification described in Subsection (6)(a)(i) to
505	the policyholder, the new terms or rates do not take effect until 30 days after the notice is
506	delivered or sent by first-class mail, in which case the policyholder may elect to cancel the
507	renewal policy at any time during the 30-day period.
508	(iii) Return premiums or additional premium charges shall be calculated
509	proportionately on the basis that the old rates apply.
510	(b) Subsection (6)(a) does not apply if the only change in terms that is adverse to the
511	policyholder is:
512	(i) a rate increase generally applicable to the class of business to which the policy
513	belongs;
514	(ii) a rate increase resulting from a classification change based on the altered nature or
515	extent of the risk insured against; or
516	(iii) a policy form change made to make the form consistent with Utah law.
517	(7) (a) If a notice of cancellation or nonrenewal under Subsection (2)(c) does not state
518	with reasonable precision the facts on which the insurer's decision is based, the insurer shall
519	send by first-class mail or deliver that information within 10 working days after receipt of a
520	written request by the policyholder.

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(b) A notice under Subsection (2)(c) is not effective unless it contains information

(8) (a) An insurer that gives a notice of nonrenewal or cancellation of insurance on a

about the policyholder's right to make the request.

motor vehicle insurance policy issued in accordance with the requirements of Chapter 22, Part 3, Motor Vehicle Insurance, for nonpayment of a premium shall provide notice of nonrenewal or cancellation to a lienholder if the insurer has been provided the name and mailing address of the lienholder.

- (b) The notice described in Subsection (8)(a) shall be provided to the lienholder by first class mail or, if agreed by the parties, any electronic means of communication.
- (c) A lienholder shall provide a current physical address of notification or an electronic address of notification to an insurer that is required to make a notification under Subsection (8)(a).
- (9) If a risk-sharing plan under Section 31A-2-214 exists for the kind of coverage provided by the insurance being cancelled or nonrenewed, a notice of cancellation or nonrenewal required under Subsection (2)(c) or (4)(b)(i) may not be effective unless it contains instructions to the policyholder for applying for insurance through the available risk-sharing plan.
- (10) There is no liability on the part of, and no cause of action against, any insurer, its authorized representatives, agents, employees, or any other person furnishing to the insurer information relating to the reasons for cancellation or nonrenewal or for any statement made or information given by them in complying or enabling the insurer to comply with this section unless actual malice is proved by clear and convincing evidence.
- (11) This section does not alter any common law right of contract rescission for material misrepresentation.
 - (12) If a person is required to pay a premium in accordance with this section:
 - (a) the person may make the payment using:
 - (i) the United States Postal Service;
- (ii) a delivery service the commissioner describes or designates by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act; or
 - (iii) electronic means; and

- (b) the payment is considered to be made:
- (i) for a payment that is mailed using the method described in Subsection (12)(a)(i), on the date the payment is postmarked;
 - (ii) for a payment that is delivered using the method described in Subsection (12)(a)(ii),

555 on the date the delivery service records or marks the payment as having been received by the 556 delivery service; or 557 (iii) for a payment that is made using the method described in Subsection (12)(a)(iii), 558 on the date the payment is made electronically. Section 19. Section 31A-21-311 is amended to read: 559 560 31A-21-311. Group and blanket insurance. 561 (1) (a) (i) Except under Subsection (1)(d), an insurer issuing a group insurance policy 562 other than a blanket insurance policy shall, as soon as practicable after the coverage is 563 effective, provide a certificate for each member of the insured group, except that only one certificate need be provided for the members of a family unit. 564 565 (ii) The certificate required by this Subsection (1) shall: (A) provide the exact name of the insurer; 566 567 (B) state the state of domicile of the insurer; and 568 (C) contain a summary of the essential features of the insurance coverage, including: 569 (I) any rights of conversion to an individual policy; 570 (II) in the case of group life insurance, any continuation of coverage during total 571 disability; and (III) in the case of group life insurance, the incontestability provision. 572 (iii) Upon receiving a written request, the insurer shall inform any insured how the 573 574 insured may inspect, during normal business hours at a place reasonably convenient to the 575 insured: 576 (A) a copy of the policy; or 577 (B) a summary of the policy containing all the details that are relevant to the certificate holder. 578 579 (b) The commissioner may by rule impose a requirement similar to Subsection (1)(a) 580 on any class of blanket insurance policies for which the commissioner finds that the group of 581 persons covered is constant enough for that type of action to be practicable and not 582 unreasonably expensive. (c) (i) A certificate shall be provided in a manner reasonably calculated to bring the 583 certificate to the attention of the certificate holder.

(ii) The insurer may deliver or mail a certificate:

586	(A) directly to the certificate holders; or		
587	(B) in bulk to the policyholder to transmit to certificate holders.		
588	(iii) An affidavit by the insurer that the insurer mailed the certificates in the usual		
589	course of business creates a rebuttable presumption that the insurer has mailed the certificate		
590	to:		
591	(A) a certificate holder; or		
592	(B) a policyholder as provided in Subsection (1)(c)(ii)(B).		
593	(d) The commissioner may by rule or order prescribe substitutes for delivery or mailing		
594	of certificates that are reasonably calculated to inform a certificate holder of the certificate		
595	holder's rights, including:		
596	(i) booklets describing the coverage;		
597	(ii) the posting of notices in the place of business; or		
598	(iii) publication in a house organ.		
599	(2) Unless a certificate or an authorized substitute has been made available to the		
600	certificate holder when required by this section, an act or omission forbidden to or required of		
601	the certificate holder by the certificate after the coverage has become effective as to the		
602	certificate holder, other than intentionally causing the loss insured against or failing to make		
603	required contributory premium payments, may not affect the insurer's obligations under the		
604	insurance contract.		
605	(3) (a) As used in this Subsection (3):		
606	(i) "Authorized driver" means the same as that term is defined in Section 13-52-102.		
607	(ii) "Private motor vehicle" means the same as that term is defined in Section		
608	<u>13-52-102.</u>		
609	(iii) "Rental network company" means the same as that term is defined in Section		
610	<u>13-52-102.</u>		
611	(iv) "Rental period" means the same as that term is defined in Section 13-52-102.		
612	(b) (i) A blanket insurance policy that a rental network company maintains in		
613	accordance with Subsection 13-52-401(1) shall:		
614	(A) identify the rental network company as the named insured;		
615	(B) include a provision that provides coverage, without prior notice to the insurer, for		
616	all private motor vehicles during the rental period;		

617	(C) include a provision that claims will be adjusted in accordance with Section		
618	31A-26-303; and		
619	(D) include a provision that the vehicles' authorized drivers and occupants are included		
620	as insureds under the policy to the same extent that the authorized drivers and occupants would		
621	be insureds under a private passenger motor vehicle policy.		
622	(ii) A blanket insurance policy that a rental network company maintains in accordance		
623	with Subsection 13-52-401(2) shall:		
624	(A) identify the rental network company as the named insured;		
625	(B) include a provision that provides primary coverage, without prior notice to the		
626	insurer, for all private motor vehicles in the custody of the rental network company; and		
627	(C) include a provision that claims will be adjusted pursuant to Section 31A-26-303.		
628	Section 20. Section 31A-22-311 is amended to read:		
629	31A-22-311. Definitions.		
630	As used in Sections 31A-22-312 and 31A-22-314:		
631	(1) "Authorized driver" means the person to whom the vehicle is rented and includes:		
632	(a) his spouse if a licensed driver satisfying the rental company's minimum age		
633	requirement;		
634	(b) his employer or coworker if engaged in business activity with the renter and if they		
635	are licensed drivers satisfying the rental company's minimum age requirement;		
636	(c) any person who operates the vehicle during an emergency situation;		
637	(d) any person who operates the vehicle while parking the vehicle at a commercial		
638	establishment; or		
639	(e) any person expressly listed by the rental company on the rental agreement as an		
640	authorized driver.		
641	(2) "Damage" means any damage or loss to the rented vehicle resulting from a		
642	collision, including loss of use and any costs and expenses incident to the damage or loss.		
643	(3) "Rental agreement" means any written agreement stating the terms and conditions		
644	governing the use of a private passenger motor vehicle provided by a rental company.		
645	(4) (a) "Rental company" means any person or organization in the business of		
646	providing private passenger motor vehicles to the public.		
647	(b) "Rental company" does not include a rental network company, as defined in Section		

648	<u>13-52-102.</u>			
649	(5) "Renter" means any person or organization obtaining the use of a private passenger			
650	motor vehicle from a rental company under the terms of a rental agreement.			
651	Section 21. Section 31A-22-323 is enacted to read:			
652	31A-22-323. Definitions.			
653	As used in Sections 31A-22-234 and 31A-22-235:			
654	(1) "Commercial vehicle" means the same as that term is defined in Section 41-1a-102.			
655	(2) "Private motor vehicle" means the same as that term is defined in Section			
656	<u>13-52-102.</u>			
657	(3) "Private vehicle rental" means the same as that term is defined in Section			
658	<u>13-52-102.</u>			
659	(4) "Rental network company" means the same as that term is defined in Section			
660	<u>13-52-102.</u>			
661	(5) "Rental period" means the same as that term is defined in Section 13-52-102.			
662	(6) "Rental vehicle owner" means the same as that term is defined in Section			
663	<u>13-52-102.</u>			
664	(7) "Renter" means the same as that term is defined in Section 13-52-102.			
665	(8) "Software application" means the same as that term is defined in Section			
666	<u>13-52-102.</u>			
667	Section 22. Section 31A-22-324 is enacted to read:			
668	31A-22-324. Participation in a private vehicle rental.			
669	(1) An insurer that issues a motor vehicle related insurance policy may:			
670	(a) refuse coverage to a rental vehicle owner, if the rental vehicle owner, in			
671	combination with all individuals residing in the same household as the rental vehicle owner,			
672	uses a software application, or combination of software applications, to rent, or make available			
673	for rent, more than four motor vehicles at one time; or			
674	(b) during a private vehicle rental, exclude any and all coverage that may otherwise be			
675	afforded to the rental vehicle owner under the personal motor vehicle liability insurer's policy.			
676	(2) A motor vehicle required to be insured under Section 41-12a-301 is not a			
677	commercial vehicle solely because the motor vehicle's owner makes the motor vehicle			
678	available for rent through a software application, unless:			

679 (a) the private vehicle rental fails to comply with the requirements of a private vehicle 680 rental as described in Title 13, Chapter 52, Rental Network Company Registration Act; 681 (b) the rental vehicle owner or the rental network company knowingly allows a renter 682 to use the private motor vehicle as a commercial vehicle during the private vehicle rental; or 683 (c) the rental vehicle owner, in combination with all individuals residing in the same 684 household as the rental vehicle owner, uses a software application, or combination of software 685 applications, to rent, or make available for rent, more than four motor vehicles at one time. 686 Section 23. Section 31A-22-325 is enacted to read: 687 31A-22-325. Private vehicle rental liability. (1) Notwithstanding any other provision of law or any provision in a rental vehicle 688 689 owner's personal motor vehicle liability insurance policy, in the event of a loss or injury that 690 occurs during the rental period or while the private motor vehicle is under the control of a 691 rental network company, the rental network company is the owner of the vehicle under any 692 statute that may impose liability upon an owner of a private passenger motor vehicle solely 693 based on ownership. 694 (2) A rental network company shall retain liability described in Subsection (1) regardless of any inadvertent lapse in the blanket policy under which the rental network 695 696 company is insured. 697 (3) An insurer providing blanket liability insurance to a rental network company in 698 accordance with Section 13-52-401 is liable for a claim in which a dispute exists regarding the 699 person that was in control of the vehicle when the loss occurred giving rise to the claim. 700 (4) If it is determined that a rental vehicle's owner was in control of the private motor 701 vehicle at the time of a loss giving rise to a claim, the rental vehicle owner's personal motor 702 vehicle liability insurer shall indemnify the rental network company's blanket insurer, to the 703 extent of the personal motor vehicle liability insurer's obligation under the applicable insurance 704 policy. 705 (5) Subject to the provisions of Subsections (3) and (4), if a rental vehicle owner or the 706 rental vehicle owner's personal motor vehicle insurer is named as the defendant in a civil action 707 for a loss or injury that occurs: 708 (a) during the rental period, the rental network company's blanket liability insurance

insurer under Subsection 13-52-401(1) has the duty to defend and indemnify the rental vehicle

710	owner and rental vehicle owner's personal motor vehicle liability insurer; or
711	(b) while the private motor vehicle is under the control of a rental network company,
712	the rental network company's blanket liability insurance insurer under Subsection 13-52-401(2)
713	has the duty to defend and indemnify the rental vehicle owner and rental vehicle owner's
714	personal motor vehicle liability insurer.
715	Section 24. Section 34-53-101 is enacted to read:
716	CHAPTER 53. BUILDING SERVICE NETWORK COMPANY ACT
717	Part 1. General Provisions
718	<u>34-53-101.</u> Title.
719	This chapter is known as "Building Service Network Company Act."
720	Section 25. Section 34-53-102 is enacted to read:
721	34-53-102. Definitions.
722	As used in this chapter:
723	(1) (a) "Building service" means a maintenance, repair, or installation service, in or
724	around a building or residence, that costs \$3,000 or less.
725	(b) "Building service" includes:
726	(i) cleaning or janitorial services;
727	(ii) furniture assembly, installation, moving, or delivery services;
728	(iii) landscaping;
729	(iv) home repair services; and
730	(v) services similar to the services described in Subsections (1)(b)(i) through (iv).
731	(2) "Building service contractor" means a person who enters into an agreement with a
732	building service network company to use the building service network company's software
733	platform to connect with and receive requests from persons seeking a building service.
734	(3) "Building service network company" means an entity that:
735	(a) uses an Internet-connected software platform, including a mobile application, to
736	connect a building service contractor to a person seeking a building service; and
737	(b) charges a building service contractor or person seeking building services a fee to
738	use the software platform described in Subsection (3)(a).
739	Section 26. Section 34-53-201 is enacted to read:
740	Part 2. Employment Status

741	34-53-201. Independent contractor presumption.
742	(1) A building service contractor may affiliate with a building service network
743	company as an independent contractor or as an employee.
744	(2) (a) There is a presumption that a building service contractor who affiliates with a
745	building service network company is an independent contractor, unless there is clear and
746	convincing evidence that the parties intended the building service contractor to be an employee
747	(b) The presumption described in Subsection (2)(a) extends to each act the building
748	service contractor performs in connection with a request for a building service placed through
749	the building service network company's software platform.
750	Section 27. Section 41-1a-214 is amended to read:
751	41-1a-214. Registration card to be signed, carried, and exhibited.
752	(1) A registration card shall be signed by the owner in ink in the space provided.
753	(2) A registration card shall be carried at all times in the vehicle to which it was issued.
754	(3) The person driving or in control of a vehicle shall display the registration card upon
755	demand of a peace officer or any officer or employee of the division.
756	(4) For a vehicle owned by a rental company, as defined in Section 31A-22-311, a
757	person driving or in control of the vehicle may display the vehicle's rental agreement, as
758	defined in Section 31A-22-311, in place of a registration card for compliance with Subsection
759	(3).
760	(5) For a vehicle being used in connection with a private vehicle rental, as defined in
761	Section 13-52-102, a person driving or in control of the vehicle may display the vehicle's rental
762	agreement, as defined in Section 13-52-102, in place of a registration card for compliance with
763	Subsection (3).
764	[(5)] (6) A violation of this section is an infraction.
765	Section 28. Section 41-12a-303.2 is amended to read:
766	41-12a-303.2. Evidence of owner's or operator's security to be carried when
767	operating motor vehicle Defense Penalties.
768	(1) As used in this section:
769	(a) "Division" means the Motor Vehicle Division of the State Tax Commission.
770	(b) "Registration materials" means the evidences of motor vehicle registration,
771	including all registration cards, license plates, temporary permits, and nonresident temporary

permits.			
(2) (a) (i) A person operating a motor vehicle shall:			
(A) have in the person's immediate possession evidence of owner's or operator's			
security for the motor vehicle the person is operating; and			
(B) display it upon demand of a peace officer.			
(ii) A person is exempt from the requirements of Subsection (2)(a)(i) if the person is			
operating:			
(A) a government-owned or leased motor vehicle; or			
(B) an employer-owned or leased motor vehicle and is driving it with the employer's			
permission.			
(iii) A person operating a vehicle that is owned by a rental company, as defined in			
Section 31A-22-311, may comply with Subsection (2)(a)(i) by having in the person's			
immediate possession, or displaying, the rental vehicle's rental agreement, as defined in Section			
31A-22-311.			
(iv) A person operating a vehicle in connection with a private vehicle rental, as defined			
in Section 13-52-102, may comply with Subsection (2)(a)(i) by having in the person's			
immediate possession, or displaying, the rental vehicle's rental agreement, as defined in Section			
<u>13-52-102.</u>			
(b) Evidence of owner's or operator's security includes any one of the following:			
(i) a copy of the operator's valid:			
(A) insurance policy;			
(B) insurance policy declaration page;			
(C) binder notice;			
(D) renewal notice; or			
(E) card issued by an insurance company as evidence of insurance;			
(ii) a certificate of insurance issued under Section 41-12a-402;			
(iii) a certified copy of a surety bond issued under Section 41-12a-405;			
(iv) a certificate of the state treasurer issued under Section 41-12a-406;			
(v) a certificate of self-funded coverage issued under Section 41-12a-407; or			
(vi) information that the vehicle or driver is insured from the Uninsured Motorist			

Identification Database Program created under Title 41, Chapter 12a, Part 8, Uninsured

803 Motorist Identification Database Program.

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

- (d) (i) A person may provide to a peace officer evidence of owner's or operator's security described in this Subsection (2) in:
 - (A) a hard copy format; or
 - (B) an electronic format using a mobile electronic device.
- (ii) If a person provides evidence of owner's or operator's security in an electronic format using a mobile electronic device under this Subsection (2)(d), the peace officer viewing the owner's or operator's security on the mobile electronic device may not view any other content on the mobile electronic device.
- (iii) Notwithstanding any other provision under this section, a peace officer is not subject to civil liability or criminal penalties under this section if the peace officer inadvertently views content other than the evidence of owner's or operator's security on the mobile electronic device.
- (e) (i) Evidence of owner's or operator's security from the Uninsured Motorist Identification Database Program described under Subsection (2)(b)(vi) supercedes any evidence of owner's or operator's security described under Subsection (2)(b)(i)(D) or (E).
- (ii) A peace officer may not cite or arrest a person for a violation of Subsection (2)(a) if the Uninsured Motorist Identification Database Program created under Title 41, Chapter 12a, Part 8, Uninsured Motorist Identification Database Program, information indicates that the vehicle or driver is insured.
- (3) It is an affirmative defense to a charge or in an administrative action under this section that the person had owner's or operator's security in effect for the vehicle the person was operating at the time of the person's citation or arrest.
- (4) (a) The following are considered proof of owner's or operator's security for purposes of Subsection (3) and Section 41-12a-804:
 - (i) evidence defined in Subsection (2)(b);
- 832 (ii) a written statement from an insurance producer or company verifying that the 833 person had the required motor vehicle insurance coverage on the date specified; or

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

- (b) The court considering a citation issued under this section shall allow the evidence or a written statement under Subsection (4)(a) and a copy of the citation to be faxed or mailed to the clerk of the court to satisfy Subsection (3).
- (c) The notice under Section 41-12a-804 shall specify that the written statement under Subsection (4)(a) and a copy of the notice shall be faxed or mailed to the designated agent to satisfy the proof of owner's or operator's security required under Section 41-12a-804.
 - (5) A violation of this section is an infraction, and the fine shall be not less than:
 - (a) \$400 for a first offense; and

- (b) \$1,000 for a second and subsequent offense within three years of a previous conviction or bail forfeiture.
- (6) Upon receiving notification from a court of a conviction for a violation of this section, the department:
 - (a) shall suspend the person's driver license; and
- (b) may not renew the person's driver license or issue a driver license to the person until the person gives the department proof of owner's or operator's security.
- (i) This proof of owner's or operator's security shall be given by any of the ways required under Section 41-12a-401.
- (ii) This proof of owner's or operator's security shall be maintained with the department for a three-year period.
- (iii) An insurer that provides a certificate of insurance as provided under Section 41-12a-402 or 41-12a-403 may not terminate the insurance policy unless notice of termination is filed with the department no later than 10 days after termination as required under Section 41-12a-404.
- (iv) If a person who has canceled the certificate of insurance applies for a license within three years from the date proof of owner's or operator's security was originally required, the department shall refuse the application unless the person reestablishes proof of owner's or operator's security and maintains the proof for the remainder of the three-year period.
 - Section 29. Coordinating H.B. 429 with H.B. 364 -- Substantive and technical

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If this H.B. 429 and H.B. 364, Employment Law Amendments, both pass and become
law, it is the intent of the Legislature that Sections 34-53-101, 34-53-102, and 34-53-201 in this
bill supersede Sections 34-53-101, 34-53-102, and 34-53-201 in H.B. 364 when the Office of
Legislative Research and General Counsel prepares the Utah Code database for publication.

Legislative Review Note Office of Legislative Research and General Counsel