

INSURANCE REVISIONS

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lyle W. Hillyard

House Sponsor: _____

LONG TITLE

General Description:

This bill revises provisions applicable to certain insurance policies.

Highlighted Provisions:

This bill:

- ▶ defines terms; and
- ▶ prohibits an insurer from denying coverage under a personal lines insurance policy

for liability arising out of a business pursuit of the insured unless the insurer establishes certain factors.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

31A-22-1310, Utah Code Annotated 1953

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

Section 1. Section **31A-22-1310** is enacted to read:

31A-22-1310. Business pursuit exclusion -- Limitation.

(1) As used in this section:



28 (a) "Business pursuit" means any activity engaged in by a person insured under a
29 personal lines insurance policy that:

30 (i) is undertaken for the purpose of financial gain or economic profit; and

31 (ii) involves the use of real or personal property insured under the personal lines
32 insurance policy.

33 (b) "Personal lines insurance" means the same as that term is defined in Section
34 [31A-1-301](#).

35 (2) An insurer that issues a personal lines insurance policy may not deny a claim for
36 loss, liability, or damage arising out of a business pursuit of the insured unless the insurer
37 establishes that:

38 (a) the insured regularly engaged in the business pursuit;

39 (b) the business pursuit materially and substantially increased the risk of loss, liability,
40 or damage to the insurer; and

41 (c) the loss, liability, or damage was actually caused by the business pursuit.