

UNDERINSURED MOTORIST COVERAGE AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Anthony E. Loubet

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions related to underinsured and uninsured motorist coverage.

Highlighted Provisions:

This bill:

- ▶ provides that a covered person occupying a motor vehicle furnished by the covered person's employer may recover underinsured and uninsured motorist benefits; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

31A-22-305, as last amended by Laws of Utah 2023, Chapters 69, 185 and 327

31A-22-305.3, as last amended by Laws of Utah 2023, Chapters 69, 327

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

Section 1. Section **31A-22-305** is amended to read:

31A-22-305. Uninsured motorist coverage.

(1) As used in this section, "covered persons" includes:



- 28 (a) the named insured;
- 29 (b) for a claim arising on or after May 13, 2014, the named insured's dependent minor
30 children;
- 31 (c) persons related to the named insured by blood, marriage, adoption, or guardianship,
32 who are residents of the named insured's household, including those who usually make their
33 home in the same household but temporarily live elsewhere;
- 34 (d) any person occupying or using a motor vehicle:
 - 35 (i) referred to in the policy; or
 - 36 (ii) owned by a self-insured; and
- 37 (e) any person who is entitled to recover damages against the owner or operator of the
38 uninsured or underinsured motor vehicle because of bodily injury to or death of persons under
39 Subsection (1)(a), (b), (c), or (d).
- 40 (2) As used in this section, "uninsured motor vehicle" includes:
 - 41 (a) (i) a motor vehicle, the operation, maintenance, or use of which is not covered
42 under a liability policy at the time of an injury-causing occurrence; or
 - 43 (ii) (A) a motor vehicle covered with lower liability limits than required by Section
44 [31A-22-304](#); and
 - 45 (B) the motor vehicle described in Subsection (2)(a)(ii)(A) is uninsured to the extent of
46 the deficiency;
 - 47 (b) an unidentified motor vehicle that left the scene of an accident proximately caused
48 by the motor vehicle operator;
 - 49 (c) a motor vehicle covered by a liability policy, but coverage for an accident is
50 disputed by the liability insurer for more than 60 days or continues to be disputed for more than
51 60 days; or
 - 52 (d) (i) an insured motor vehicle if, before or after the accident, the liability insurer of
53 the motor vehicle is declared insolvent by a court of competent jurisdiction; and
 - 54 (ii) the motor vehicle described in Subsection (2)(d)(i) is uninsured only to the extent
55 that the claim against the insolvent insurer is not paid by a guaranty association or fund.
- 56 (3) (a) Uninsured motorist coverage under Subsection [31A-22-302\(1\)\(b\)](#) provides
57 coverage for covered persons who are legally entitled to recover damages from owners or
58 operators of uninsured motor vehicles because of bodily injury, sickness, disease, or death.

59 (b) A covered person occupying or using a motor vehicle that is owned, furnished, or
60 leased by the covered person's employer may recover uninsured benefits, notwithstanding any
61 regular use exclusion described in the policy.

62 (4) (a) For new policies written on or after January 1, 2001, the limits of uninsured
63 motorist coverage shall be equal to the lesser of the limits of the named insured's motor vehicle
64 liability coverage or the maximum uninsured motorist coverage limits available by the insurer
65 under the named insured's motor vehicle policy, unless a named insured rejects or purchases
66 coverage in a lesser amount by signing an acknowledgment form that:

67 (i) is filed with the department;

68 (ii) is provided by the insurer;

69 (iii) waives the higher coverage;

70 (iv) need only state in this or similar language that uninsured motorist coverage
71 provides benefits or protection to you and other covered persons for bodily injury resulting
72 from an accident caused by the fault of another party where the other party has no liability
73 insurance; and

74 (v) discloses the additional premiums required to purchase uninsured motorist
75 coverage with limits equal to the lesser of the limits of the named insured's motor vehicle
76 liability coverage or the maximum uninsured motorist coverage limits available by the insurer
77 under the named insured's motor vehicle policy.

78 (b) Any selection or rejection under this Subsection (4) continues for that issuer of the
79 liability coverage until the insured requests, in writing, a change of uninsured motorist
80 coverage from that liability insurer.

81 (c) (i) Subsections (4)(a) and (b) apply retroactively to any claim arising on or after
82 January 1, 2001, for which, as of May 14, 2013, an insured has not made a written demand for
83 arbitration or filed a complaint in a court of competent jurisdiction.

84 (ii) The Legislature finds that the retroactive application of Subsections (4)(a) and (b)
85 clarifies legislative intent and does not enlarge, eliminate, or destroy vested rights.

86 (d) For purposes of this Subsection (4), "new policy" means:

87 (i) any policy that is issued which does not include a renewal or reinstatement of an
88 existing policy; or

89 (ii) a change to an existing policy that results in:

90 (A) a named insured being added to or deleted from the policy; or
91 (B) a change in the limits of the named insured's motor vehicle liability coverage.

92 (e) (i) As used in this Subsection (4)(e), "additional motor vehicle" means a change
93 that increases the total number of vehicles insured by the policy, and does not include
94 replacement, substitute, or temporary vehicles.

95 (ii) The adding of an additional motor vehicle to an existing personal lines or
96 commercial lines policy does not constitute a new policy for purposes of Subsection (4)(d).

97 (iii) If an additional motor vehicle is added to a personal lines policy where uninsured
98 motorist coverage has been rejected, or where uninsured motorist limits are lower than the
99 named insured's motor vehicle liability limits, the insurer shall provide a notice to a named
100 insured within 30 days that:

101 (A) in the same manner as described in Subsection (4)(a)(iv), explains the purpose of
102 uninsured motorist coverage; and

103 (B) encourages the named insured to contact the insurance company or insurance
104 producer for quotes as to the additional premiums required to purchase uninsured motorist
105 coverage with limits equal to the lesser of the limits of the named insured's motor vehicle
106 liability coverage or the maximum uninsured motorist coverage limits available by the insurer
107 under the named insured's motor vehicle policy.

108 (f) A change in policy number resulting from any policy change not identified under
109 Subsection (4)(d)(ii) does not constitute a new policy.

110 (g) (i) Subsection (4)(d) applies retroactively to any claim arising on or after January 1,
111 2001, for which, as of May 1, 2012, an insured has not made a written demand for arbitration
112 or filed a complaint in a court of competent jurisdiction.

113 (ii) The Legislature finds that the retroactive application of Subsection (4):

114 (A) does not enlarge, eliminate, or destroy vested rights; and

115 (B) clarifies legislative intent.

116 (h) A self-insured, including a governmental entity, may elect to provide uninsured
117 motorist coverage in an amount that is less than its maximum self-insured retention under
118 Subsections (4)(a) and (5)(a) by issuing a declaratory memorandum or policy statement from
119 the chief financial officer or chief risk officer that declares the:

120 (i) self-insured entity's coverage level; and

121 (ii) process for filing an uninsured motorist claim.

122 (i) Uninsured motorist coverage may not be sold with limits that are less than the
123 minimum bodily injury limits for motor vehicle liability policies under Section 31A-22-304.

124 (j) The acknowledgment under Subsection (4)(a) continues for that issuer of the
125 uninsured motorist coverage until the named insured requests, in writing, different uninsured
126 motorist coverage from the insurer.

127 (k) (i) In conjunction with the first two renewal notices sent after January 1, 2001, for
128 policies existing on that date, the insurer shall disclose in the same medium as the premium
129 renewal notice, an explanation of:

130 (A) the purpose of uninsured motorist coverage in the same manner as described in
131 Subsection (4)(a)(iv); and

132 (B) a disclosure of the additional premiums required to purchase uninsured motorist
133 coverage with limits equal to the lesser of the limits of the named insured's motor vehicle
134 liability coverage or the maximum uninsured motorist coverage limits available by the insurer
135 under the named insured's motor vehicle policy.

136 (ii) The disclosure required under Subsection (4)(k)(i) shall be sent to all named
137 insureds that carry uninsured motorist coverage limits in an amount less than the named
138 insured's motor vehicle liability policy limits or the maximum uninsured motorist coverage
139 limits available by the insurer under the named insured's motor vehicle policy.

140 (l) For purposes of this Subsection (4), a notice or disclosure sent to a named insured in
141 a household constitutes notice or disclosure to all insureds within the household.

142 (5) (a) (i) Except as provided in Subsection (5)(b), the named insured may reject
143 uninsured motorist coverage by an express writing to the insurer that provides liability
144 coverage under Subsection 31A-22-302(1)(a).

145 (ii) This rejection shall be on a form provided by the insurer that includes a reasonable
146 explanation of the purpose of uninsured motorist coverage.

147 (iii) This rejection continues for that issuer of the liability coverage until the insured in
148 writing requests uninsured motorist coverage from that liability insurer.

149 (b) (i) All persons, including governmental entities, that are engaged in the business of,
150 or that accept payment for, transporting natural persons by motor vehicle, and all school
151 districts that provide transportation services for their students, shall provide coverage for all

152 motor vehicles used for that purpose, by purchase of a policy of insurance or by self-insurance,
153 uninsured motorist coverage of at least \$25,000 per person and \$500,000 per accident.

154 (ii) This coverage is secondary to any other insurance covering an injured covered
155 person.

156 (c) Uninsured motorist coverage:

157 (i) does not cover any benefit paid or payable under Title 34A, Chapter 2, Workers'
158 Compensation Act, except that the covered person is credited an amount described in
159 Subsection 34A-2-106(5);

160 (ii) may not be subrogated by the workers' compensation insurance carrier, workers'
161 compensation insurance, uninsured employer, the Uninsured Employers Fund created in
162 Section 34A-2-704, or the Employers' Reinsurance Fund created in Section 34A-2-702;

163 (iii) may not be reduced by any benefits provided by workers' compensation insurance,
164 uninsured employer, the Uninsured Employers Fund created in Section 34A-2-704, or the
165 Employers' Reinsurance Fund created in Section 34A-2-702;

166 (iv) notwithstanding Subsection 31A-1-103(3)(f), may be reduced by health insurance
167 subrogation only after the covered person has been made whole;

168 (v) may not be collected for bodily injury or death sustained by a person:

169 (A) while committing a violation of Section 41-1a-1314;

170 (B) who, as a passenger in a vehicle, has knowledge that the vehicle is being operated
171 in violation of Section 41-1a-1314; or

172 (C) while committing a felony; and

173 (vi) notwithstanding Subsection (5)(c)(v), may be recovered:

174 (A) for a person under 18 years old who is injured within the scope of Subsection
175 (5)(c)(v) but limited to medical and funeral expenses; or

176 (B) by a law enforcement officer as defined in Section 53-13-103, who is injured
177 within the course and scope of the law enforcement officer's duties.

178 (d) As used in this Subsection (5), "motor vehicle" has the same meaning as under
179 Section 41-1a-102.

180 (6) When a covered person alleges that an uninsured motor vehicle under Subsection
181 (2)(b) proximately caused an accident without touching the covered person or the motor
182 vehicle occupied by the covered person, the covered person shall show the existence of the

183 uninsured motor vehicle by clear and convincing evidence consisting of more than the covered
184 person's testimony.

185 (7) (a) The limit of liability for uninsured motorist coverage for two or more motor
186 vehicles may not be added together, combined, or stacked to determine the limit of insurance
187 coverage available to an injured person for any one accident.

188 (b) (i) Subsection (7)(a) applies to all persons except a covered person as defined under
189 Subsection (8)(b).

190 (ii) A covered person as defined under Subsection (8)(b)(ii) is entitled to the highest
191 limits of uninsured motorist coverage afforded for any one motor vehicle that the covered
192 person is the named insured or an insured family member.

193 (iii) This coverage shall be in addition to the coverage on the motor vehicle the covered
194 person is occupying.

195 (iv) Neither the primary nor the secondary coverage may be set off against the other.

196 (c) Coverage on a motor vehicle occupied at the time of an accident shall be primary
197 coverage, and the coverage elected by a person described under Subsections (1)(a) through (c)
198 shall be secondary coverage.

199 (8) (a) Uninsured motorist coverage under this section applies to bodily injury,
200 sickness, disease, or death of covered persons while occupying or using a motor vehicle only if
201 the motor vehicle is described in the policy under which a claim is made, or if the motor
202 vehicle is a newly acquired or replacement motor vehicle covered under the terms of the policy.
203 Except as provided in Subsection (7) or this Subsection (8), a covered person injured in a
204 motor vehicle described in a policy that includes uninsured motorist benefits may not elect to
205 collect uninsured motorist coverage benefits from any other motor vehicle insurance policy
206 under which the person is a covered person.

207 (b) Each of the following persons may also recover uninsured motorist benefits under
208 any one other policy in which they are described as a "covered person" as defined in Subsection
209 (1):

210 (i) a covered person injured as a pedestrian by an uninsured motor vehicle; and

211 (ii) except as provided in Subsection (8)(c), a covered person injured while occupying
212 or using a motor vehicle that is not owned, leased, or furnished:

213 (A) to the covered person;

214 (B) to the covered person's spouse; or
215 (C) to the covered person's resident parent or resident sibling.
216 (c) (i) A covered person may recover benefits from no more than two additional
217 policies, one additional policy from each parent's household if the covered person is:
218 (A) a dependent minor of parents who reside in separate households; and
219 (B) injured while occupying or using a motor vehicle that is not owned, leased, or
220 furnished:
221 (I) to the covered person;
222 (II) to the covered person's resident parent; or
223 (III) to the covered person's resident sibling.
224 (ii) Each parent's policy under this Subsection (8)(c) is liable only for the percentage of
225 the damages that the limit of liability of each parent's policy of uninsured motorist coverage
226 bears to the total of both parents' uninsured coverage applicable to the accident.
227 (d) A covered person's recovery under any available policies may not exceed the full
228 amount of damages.
229 (e) A covered person in Subsection (8)(b) is not barred against making subsequent
230 elections if recovery is unavailable under previous elections.
231 (f) (i) As used in this section, "interpolicy stacking" means recovering benefits for a
232 single incident of loss under more than one insurance policy.
233 (ii) Except to the extent permitted by Subsection (7) and this Subsection (8),
234 interpolicy stacking is prohibited for uninsured motorist coverage.
235 (9) (a) When a claim is brought by a named insured or a person described in
236 Subsection (1) and is asserted against the covered person's uninsured motorist carrier, the
237 claimant may elect to resolve the claim:
238 (i) by submitting the claim to binding arbitration; or
239 (ii) through litigation.
240 (b) Unless otherwise provided in the policy under which uninsured benefits are
241 claimed, the election provided in Subsection (9)(a) is available to the claimant only, except that
242 if the policy under which insured benefits are claimed provides that either an insured or the
243 insurer may elect arbitration, the insured or the insurer may elect arbitration and that election to
244 arbitrate shall stay the litigation of the claim under Subsection (9)(a)(ii).

245 (c) Once the claimant has elected to commence litigation under Subsection (9)(a)(ii),
246 the claimant may not elect to resolve the claim through binding arbitration under this section
247 without the written consent of the uninsured motorist carrier.

248 (d) For purposes of the statute of limitations applicable to a claim described in
249 Subsection (9)(a), if the claimant does not elect to resolve the claim through litigation, the
250 claim is considered filed when the claimant submits the claim to binding arbitration in
251 accordance with this Subsection (9).

252 (e) (i) Unless otherwise agreed to in writing by the parties, a claim that is submitted to
253 binding arbitration under Subsection (9)(a)(i) shall be resolved by a single arbitrator.

254 (ii) All parties shall agree on the single arbitrator selected under Subsection (9)(e)(i).

255 (iii) If the parties are unable to agree on a single arbitrator as required under Subsection
256 (9)(e)(ii), the parties shall select a panel of three arbitrators.

257 (f) If the parties select a panel of three arbitrators under Subsection (9)(e)(iii):

258 (i) each side shall select one arbitrator; and

259 (ii) the arbitrators appointed under Subsection (9)(f)(i) shall select one additional
260 arbitrator to be included in the panel.

261 (g) Unless otherwise agreed to in writing:

262 (i) each party shall pay an equal share of the fees and costs of the arbitrator selected
263 under Subsection (9)(e)(i); or

264 (ii) if an arbitration panel is selected under Subsection (9)(e)(iii):

265 (A) each party shall pay the fees and costs of the arbitrator selected by that party; and

266 (B) each party shall pay an equal share of the fees and costs of the arbitrator selected
267 under Subsection (9)(f)(ii).

268 (h) Except as otherwise provided in this section or unless otherwise agreed to in
269 writing by the parties, an arbitration proceeding conducted under this section shall be governed
270 by Title 78B, Chapter 11, Utah Uniform Arbitration Act.

271 (i) (i) The arbitration shall be conducted in accordance with Rules 26(a)(4) through (f),
272 27 through 37, 54, and 68 of the Utah Rules of Civil Procedure, once the requirements of
273 Subsections (10)(a) through (c) are satisfied.

274 (ii) The specified tier as defined by Rule 26(c)(3) of the Utah Rules of Civil Procedure
275 shall be determined based on the claimant's specific monetary amount in the written demand

276 for payment of uninsured motorist coverage benefits as required in Subsection (10)(a)(i)(A).

277 (iii) Rules 26.1 and 26.2 of the Utah Rules of Civil Procedure do not apply to
278 arbitration claims under this part.

279 (j) All issues of discovery shall be resolved by the arbitrator or the arbitration panel.

280 (k) A written decision by a single arbitrator or by a majority of the arbitration panel
281 shall constitute a final decision.

282 (l) (i) Except as provided in Subsection (10), the amount of an arbitration award may
283 not exceed the uninsured motorist policy limits of all applicable uninsured motorist policies,
284 including applicable uninsured motorist umbrella policies.

285 (ii) If the initial arbitration award exceeds the uninsured motorist policy limits of all
286 applicable uninsured motorist policies, the arbitration award shall be reduced to an amount
287 equal to the combined uninsured motorist policy limits of all applicable uninsured motorist
288 policies.

289 (m) The arbitrator or arbitration panel may not decide the issues of coverage or
290 extra-contractual damages, including:

291 (i) whether the claimant is a covered person;

292 (ii) whether the policy extends coverage to the loss; or

293 (iii) any allegations or claims asserting consequential damages or bad faith liability.

294 (n) The arbitrator or arbitration panel may not conduct arbitration on a class-wide or
295 class-representative basis.

296 (o) If the arbitrator or arbitration panel finds that the action was not brought, pursued,
297 or defended in good faith, the arbitrator or arbitration panel may award reasonable attorney fees
298 and costs against the party that failed to bring, pursue, or defend the claim in good faith.

299 (p) An arbitration award issued under this section shall be the final resolution of all
300 claims not excluded by Subsection (9)(m) between the parties unless:

301 (i) the award was procured by corruption, fraud, or other undue means;

302 (ii) either party, within 20 days after service of the arbitration award:

303 (A) files a complaint requesting a trial de novo in the district court; and

304 (B) serves the nonmoving party with a copy of the complaint requesting a trial de novo
305 under Subsection (9)(p)(ii)(A).

306 (q) (i) Upon filing a complaint for a trial de novo under Subsection (9)(p), the claim

307 shall proceed through litigation pursuant to the Utah Rules of Civil Procedure and Utah Rules
308 of Evidence in the district court.

309 (ii) In accordance with Rule 38, Utah Rules of Civil Procedure, either party may
310 request a jury trial with a complaint requesting a trial de novo under Subsection (9)(p)(ii)(A).

311 (r) (i) If the claimant, as the moving party in a trial de novo requested under Subsection
312 (9)(p), does not obtain a verdict that is at least \$5,000 and is at least 20% greater than the
313 arbitration award, the claimant is responsible for all of the nonmoving party's costs.

314 (ii) If the uninsured motorist carrier, as the moving party in a trial de novo requested
315 under Subsection (9)(p), does not obtain a verdict that is at least 20% less than the arbitration
316 award, the uninsured motorist carrier is responsible for all of the nonmoving party's costs.

317 (iii) Except as provided in Subsection (9)(r)(iv), the costs under this Subsection (9)(r)
318 shall include:

319 (A) any costs set forth in Rule 54(d), Utah Rules of Civil Procedure; and

320 (B) the costs of expert witnesses and depositions.

321 (iv) An award of costs under this Subsection (9)(r) may not exceed \$2,500 unless
322 Subsection (10)(h)(iii) applies.

323 (s) For purposes of determining whether a party's verdict is greater or less than the
324 arbitration award under Subsection (9)(r), a court may not consider any recovery or other relief
325 granted on a claim for damages if the claim for damages:

326 (i) was not fully disclosed in writing prior to the arbitration proceeding; or

327 (ii) was not disclosed in response to discovery contrary to the Utah Rules of Civil
328 Procedure.

329 (t) If a district court determines, upon a motion of the nonmoving party, that the
330 moving party's use of the trial de novo process was filed in bad faith in accordance with
331 Section [78B-5-825](#), the district court may award reasonable attorney fees to the nonmoving
332 party.

333 (u) Nothing in this section is intended to limit any claim under any other portion of an
334 applicable insurance policy.

335 (v) If there are multiple uninsured motorist policies, as set forth in Subsection (8), the
336 claimant may elect to arbitrate in one hearing the claims against all the uninsured motorist
337 carriers.

338 (10) (a) Within 30 days after a covered person elects to submit a claim for uninsured
339 motorist benefits to binding arbitration or files litigation, the covered person shall provide to
340 the uninsured motorist carrier:

341 (i) a written demand for payment of uninsured motorist coverage benefits, setting forth:

342 (A) subject to Subsection (10)(l), the specific monetary amount of the demand,
343 including a computation of the covered person's claimed past medical expenses, claimed past
344 lost wages, and the other claimed past economic damages; and

345 (B) the factual and legal basis and any supporting documentation for the demand;

346 (ii) a written statement under oath disclosing:

347 (A) (I) the names and last known addresses of all health care providers who have
348 rendered health care services to the covered person that are material to the claims for which
349 uninsured motorist benefits are sought for a period of five years preceding the date of the event
350 giving rise to the claim for uninsured motorist benefits up to the time the election for
351 arbitration or litigation has been exercised; and

352 (II) the names and last known addresses of the health care providers who have rendered
353 health care services to the covered person, which the covered person claims are immaterial to
354 the claims for which uninsured motorist benefits are sought, for a period of five years
355 preceding the date of the event giving rise to the claim for uninsured motorist benefits up to the
356 time the election for arbitration or litigation has been exercised that have not been disclosed
357 under Subsection (10)(a)(ii)(A)(I);

358 (B) (I) the names and last known addresses of all health insurers or other entities to
359 whom the covered person has submitted claims for health care services or benefits material to
360 the claims for which uninsured motorist benefits are sought, for a period of five years
361 preceding the date of the event giving rise to the claim for uninsured motorist benefits up to the
362 time the election for arbitration or litigation has been exercised; and

363 (II) the names and last known addresses of the health insurers or other entities to whom
364 the covered person has submitted claims for health care services or benefits, which the covered
365 person claims are immaterial to the claims for which uninsured motorist benefits are sought,
366 for a period of five years preceding the date of the event giving rise to the claim for uninsured
367 motorist benefits up to the time the election for arbitration or litigation have not been disclosed;

368 (C) if lost wages, diminished earning capacity, or similar damages are claimed, all

369 employers of the covered person for a period of five years preceding the date of the event
370 giving rise to the claim for uninsured motorist benefits up to the time the election for
371 arbitration or litigation has been exercised;

372 (D) other documents to reasonably support the claims being asserted; and

373 (E) all state and federal statutory lienholders including a statement as to whether the
374 covered person is a recipient of Medicare or Medicaid benefits or Utah Children's Health
375 Insurance Program benefits under Title 26B, Chapter 3, Part 9, Utah Children's Health
376 Insurance Program, or if the claim is subject to any other state or federal statutory liens; and

377 (iii) signed authorizations to allow the uninsured motorist carrier to only obtain records
378 and billings from the individuals or entities disclosed under Subsections (10)(a)(ii)(A)(I),
379 (B)(I), and (C).

380 (b) (i) If the uninsured motorist carrier determines that the disclosure of undisclosed
381 health care providers or health care insurers under Subsection (10)(a)(ii) is reasonably
382 necessary, the uninsured motorist carrier may:

383 (A) make a request for the disclosure of the identity of the health care providers or
384 health care insurers; and

385 (B) make a request for authorizations to allow the uninsured motorist carrier to only
386 obtain records and billings from the individuals or entities not disclosed.

387 (ii) If the covered person does not provide the requested information within 10 days:

388 (A) the covered person shall disclose, in writing, the legal or factual basis for the
389 failure to disclose the health care providers or health care insurers; and

390 (B) either the covered person or the uninsured motorist carrier may request the
391 arbitrator or arbitration panel to resolve the issue of whether the identities or records are to be
392 provided if the covered person has elected arbitration.

393 (iii) The time periods imposed by Subsection (10)(c)(i) are tolled pending resolution of
394 the dispute concerning the disclosure and production of records of the health care providers or
395 health care insurers.

396 (c) (i) An uninsured motorist carrier that receives an election for arbitration or a notice
397 of filing litigation and the demand for payment of uninsured motorist benefits under Subsection
398 (10)(a)(i) shall have a reasonable time, not to exceed 60 days from the date of the demand and
399 receipt of the items specified in Subsections (10)(a)(i) through (iii), to:

400 (A) provide a written response to the written demand for payment provided for in
401 Subsection (10)(a)(i);

402 (B) except as provided in Subsection (10)(c)(i)(C), tender the amount, if any, of the
403 uninsured motorist carrier's determination of the amount owed to the covered person; and

404 (C) if the covered person is a recipient of Medicare or Medicaid benefits or Utah
405 Children's Health Insurance Program benefits under Title 26B, Chapter 3, Part 9, Utah
406 Children's Health Insurance Program, or if the claim is subject to any other state or federal
407 statutory liens, tender the amount, if any, of the uninsured motorist carrier's determination of
408 the amount owed to the covered person less:

409 (I) if the amount of the state or federal statutory lien is established, the amount of the
410 lien; or

411 (II) if the amount of the state or federal statutory lien is not established, two times the
412 amount of the medical expenses subject to the state or federal statutory lien until such time as
413 the amount of the state or federal statutory lien is established.

414 (ii) If the amount tendered by the uninsured motorist carrier under Subsection (10)(c)(i)
415 is the total amount of the uninsured motorist policy limits, the tendered amount shall be
416 accepted by the covered person.

417 (d) A covered person who receives a written response from an uninsured motorist
418 carrier as provided for in Subsection (10)(c)(i), may:

419 (i) elect to accept the amount tendered in Subsection (10)(c)(i) as payment in full of all
420 uninsured motorist claims; or

421 (ii) elect to:

422 (A) accept the amount tendered in Subsection (10)(c)(i) as partial payment of all
423 uninsured motorist claims; and

424 (B) continue to litigate or arbitrate the remaining claim in accordance with the election
425 made under Subsections (9)(a) through (c).

426 (e) If a covered person elects to accept the amount tendered under Subsection (10)(c)(i)
427 as partial payment of all uninsured motorist claims, the final award obtained through
428 arbitration, litigation, or later settlement shall be reduced by any payment made by the
429 uninsured motorist carrier under Subsection (10)(c)(i).

430 (f) In an arbitration proceeding on the remaining uninsured claims:

- 431 (i) the parties may not disclose to the arbitrator or arbitration panel the amount paid
432 under Subsection (10)(c)(i) until after the arbitration award has been rendered; and
- 433 (ii) the parties may not disclose the amount of the limits of uninsured motorist benefits
434 provided by the policy.
- 435 (g) If the final award obtained through arbitration or litigation is greater than the
436 average of the covered person's initial written demand for payment provided for in Subsection
437 (10)(a)(i) and the uninsured motorist carrier's initial written response provided for in
438 Subsection (10)(c)(i), the uninsured motorist carrier shall pay:
- 439 (i) the final award obtained through arbitration or litigation, except that if the award
440 exceeds the policy limits of the subject uninsured motorist policy by more than \$15,000, the
441 amount shall be reduced to an amount equal to the policy limits plus \$15,000; and
- 442 (ii) any of the following applicable costs:
- 443 (A) any costs as set forth in Rule 54(d), Utah Rules of Civil Procedure;
- 444 (B) the arbitrator or arbitration panel's fee; and
- 445 (C) the reasonable costs of expert witnesses and depositions used in the presentation of
446 evidence during arbitration or litigation.
- 447 (h) (i) The covered person shall provide an affidavit of costs within five days of an
448 arbitration award.
- 449 (ii) (A) Objection to the affidavit of costs shall specify with particularity the costs to
450 which the uninsured motorist carrier objects.
- 451 (B) The objection shall be resolved by the arbitrator or arbitration panel.
- 452 (iii) The award of costs by the arbitrator or arbitration panel under Subsection
453 (10)(g)(ii) may not exceed \$5,000.
- 454 (i) (i) A covered person shall disclose all material information, other than rebuttal
455 evidence, within 30 days after a covered person elects to submit a claim for uninsured motorist
456 coverage benefits to binding arbitration or files litigation as specified in Subsection (10)(a).
- 457 (ii) If the information under Subsection (10)(i)(i) is not disclosed, the covered person
458 may not recover costs or any amounts in excess of the policy under Subsection (10)(g).
- 459 (j) This Subsection (10) does not limit any other cause of action that arose or may arise
460 against the uninsured motorist carrier from the same dispute.
- 461 (k) The provisions of this Subsection (10) only apply to motor vehicle accidents that

462 occur on or after March 30, 2010.

463 (l) (i) (A) The written demand requirement in Subsection (10)(a)(i)(A) does not affect
464 the covered person's requirement to provide a computation of any other economic damages
465 claimed, and the one or more respondents shall have a reasonable time after the receipt of the
466 computation of any other economic damages claimed to conduct fact and expert discovery as to
467 any additional damages claimed.

468 (B) The changes made by Laws of Utah 2014, Chapter 290, Section 10, and
469 Chapter 300, Section 10, to this Subsection (10)(l) and Subsection (10)(a)(i)(A) apply to a
470 claim submitted to binding arbitration or through litigation on or after May 13, 2014.

471 (ii) The changes made by Laws of Utah 2014, Chapter 290, Section 10, and Chapter
472 300, Section 10, to Subsections (10)(a)(ii)(A)(II) and (B)(II) apply to any claim submitted to
473 binding arbitration or through litigation on or after May 13, 2014.

474 (11) (a) A person shall commence an action on a written policy or contract for
475 uninsured motorist coverage within four years after the inception of loss.

476 (b) Subsection (11)(a) shall apply to all claims that have not been time barred by
477 Subsection 31A-21-313(1)(a) as of May 14, 2019.

478 Section 2. Section 31A-22-305.3 is amended to read:

479 **31A-22-305.3. Underinsured motorist coverage.**

480 (1) As used in this section:

481 (a) "Covered person" [~~has the same meaning as~~] means the same as the term is defined
482 in Section 31A-22-305.

483 (b) (i) "Underinsured motor vehicle" includes a motor vehicle, the operation,
484 maintenance, or use of which is covered under a liability policy at the time of an injury-causing
485 occurrence, but which has insufficient liability coverage to compensate fully the injured party
486 for all special and general damages.

487 (ii) The term "underinsured motor vehicle" does not include:

488 (A) a motor vehicle that is covered under the liability coverage of the same policy that
489 also contains the underinsured motorist coverage;

490 (B) an uninsured motor vehicle as defined in Subsection 31A-22-305(2); or

491 (C) a motor vehicle owned or leased by:

492 (I) a named insured;

493 (II) a named insured's spouse; or

494 (III) a dependent of a named insured.

495 (2) (a) Underinsured motorist coverage under Subsection 31A-22-302(1)(c) provides
496 coverage for a covered person who is legally entitled to recover damages from an owner or
497 operator of an underinsured motor vehicle because of bodily injury, sickness, disease, or death.

498 (b) [A] Except as provided in Subsection (2)(c), a covered person occupying or using a
499 motor vehicle owned, leased, or furnished to the covered person, the covered person's spouse,
500 or covered person's resident relative may recover underinsured benefits only if the motor
501 vehicle is:

502 (i) described in the policy under which a claim is made; or

503 (ii) a newly acquired or replacement motor vehicle covered under the terms of the
504 policy.

505 (c) A covered person occupying or using a motor vehicle that is owned, furnished, or
506 leased by the covered person's employer may recover underinsured benefits, notwithstanding
507 any regular use exclusion described in the policy.

508 (3) (a) For purposes of this Subsection (3), "new policy" means:

509 (i) any policy that is issued that does not include a renewal or reinstatement of an
510 existing policy; or

511 (ii) a change to an existing policy that results in:

512 (A) a named insured being added to or deleted from the policy; or

513 (B) a change in the limits of the named insured's motor vehicle liability coverage.

514 (b) For new policies written on or after January 1, 2001, the limits of underinsured
515 motorist coverage shall be equal to the lesser of the limits of the named insured's motor vehicle
516 liability coverage or the maximum underinsured motorist coverage limits available by the
517 insurer under the named insured's motor vehicle policy, unless a named insured rejects or
518 purchases coverage in a lesser amount by signing an acknowledgment form that:

519 (i) is filed with the department;

520 (ii) is provided by the insurer;

521 (iii) waives the higher coverage;

522 (iv) need only state in this or similar language that "underinsured motorist coverage
523 provides benefits or protection to you and other covered persons for bodily injury resulting

524 from an accident caused by the fault of another party where the other party has insufficient
525 liability insurance"; and

526 (v) discloses the additional premiums required to purchase underinsured motorist
527 coverage with limits equal to the lesser of the limits of the named insured's motor vehicle
528 liability coverage or the maximum underinsured motorist coverage limits available by the
529 insurer under the named insured's motor vehicle policy.

530 (c) Any selection or rejection under Subsection (3)(b) continues for that issuer of the
531 liability coverage until the insured requests, in writing, a change of underinsured motorist
532 coverage from that liability insurer.

533 (d) (i) Subsections (3)(b) and (c) apply retroactively to any claim arising on or after
534 January 1, 2001, for which, as of May 14, 2013, an insured has not made a written demand for
535 arbitration or filed a complaint in a court of competent jurisdiction.

536 (ii) The Legislature finds that the retroactive application of Subsections (3)(b) and (c)
537 clarifies legislative intent and does not enlarge, eliminate, or destroy vested rights.

538 (e) (i) As used in this Subsection (3)(e), "additional motor vehicle" means a change
539 that increases the total number of vehicles insured by the policy, and does not include
540 replacement, substitute, or temporary vehicles.

541 (ii) The adding of an additional motor vehicle to an existing personal lines or
542 commercial lines policy does not constitute a new policy for purposes of Subsection (3)(a).

543 (iii) If an additional motor vehicle is added to a personal lines policy where
544 underinsured motorist coverage has been rejected, or where underinsured motorist limits are
545 lower than the named insured's motor vehicle liability limits, the insurer shall provide a notice
546 to a named insured within 30 days that:

547 (A) in the same manner described in Subsection (3)(b)(iv), explains the purpose of
548 underinsured motorist coverage; and

549 (B) encourages the named insured to contact the insurance company or insurance
550 producer for quotes as to the additional premiums required to purchase underinsured motorist
551 coverage with limits equal to the lesser of the limits of the named insured's motor vehicle
552 liability coverage or the maximum underinsured motorist coverage limits available by the
553 insurer under the named insured's motor vehicle policy.

554 (f) A change in policy number resulting from any policy change not identified under

555 Subsection (3)(a)(ii) does not constitute a new policy.

556 (g) (i) Subsection (3)(a) applies retroactively to any claim arising on or after January 1,
557 2001 for which, as of May 1, 2012, an insured has not made a written demand for arbitration or
558 filed a complaint in a court of competent jurisdiction.

559 (ii) The Legislature finds that the retroactive application of Subsection (3)(a):

560 (A) does not enlarge, eliminate, or destroy vested rights; and

561 (B) clarifies legislative intent.

562 (h) A self-insured, including a governmental entity, may elect to provide underinsured
563 motorist coverage in an amount that is less than its maximum self-insured retention under
564 Subsections (3)(b) and (l) by issuing a declaratory memorandum or policy statement from the
565 chief financial officer or chief risk officer that declares the:

566 (i) self-insured entity's coverage level; and

567 (ii) process for filing an underinsured motorist claim.

568 (i) Underinsured motorist coverage may not be sold with limits that are less than:

569 (i) \$10,000 for one person in any one accident; and

570 (ii) at least \$20,000 for two or more persons in any one accident.

571 (j) An acknowledgment under Subsection (3)(b) continues for that issuer of the
572 underinsured motorist coverage until the named insured, in writing, requests different
573 underinsured motorist coverage from the insurer.

574 (k) (i) The named insured's underinsured motorist coverage, as described in Subsection
575 (2), is secondary to the liability coverage of an owner or operator of an underinsured motor
576 vehicle, as described in Subsection (1).

577 (ii) Underinsured motorist coverage may not be set off against the liability coverage of
578 the owner or operator of an underinsured motor vehicle, but shall be added to, combined with,
579 or stacked upon the liability coverage of the owner or operator of the underinsured motor
580 vehicle to determine the limit of coverage available to the injured person.

581 (l) (i) In conjunction with the first two renewal notices sent after January 1, 2001, for
582 policies existing on that date, the insurer shall disclose in the same medium as the premium
583 renewal notice, an explanation of:

584 (A) the purpose of underinsured motorist coverage in the same manner as described in
585 Subsection (3)(b)(iv); and

586 (B) a disclosure of the additional premiums required to purchase underinsured motorist
587 coverage with limits equal to the lesser of the limits of the named insured's motor vehicle
588 liability coverage or the maximum underinsured motorist coverage limits available by the
589 insurer under the named insured's motor vehicle policy.

590 (ii) The disclosure required under this Subsection (3)(l) shall be sent to all named
591 insureds that carry underinsured motorist coverage limits in an amount less than the named
592 insured's motor vehicle liability policy limits or the maximum underinsured motorist coverage
593 limits available by the insurer under the named insured's motor vehicle policy.

594 (m) For purposes of this Subsection (3), a notice or disclosure sent to a named insured
595 in a household constitutes notice or disclosure to all insureds within the household.

596 (4) (a) (i) Except as provided in this Subsection (4), a covered person injured in a
597 motor vehicle described in a policy that includes underinsured motorist benefits may not elect
598 to collect underinsured motorist coverage benefits from another motor vehicle insurance policy.

599 (ii) The limit of liability for underinsured motorist coverage for two or more motor
600 vehicles may not be added together, combined, or stacked to determine the limit of insurance
601 coverage available to an injured person for any one accident.

602 (iii) Subsection (4)(a)(ii) applies to all persons except a covered person described
603 under Subsections (4)(b)(i) and (ii).

604 (b) (i) A covered person injured as a pedestrian by an underinsured motor vehicle may
605 recover underinsured motorist benefits under any one other policy in which they are described
606 as a covered person.

607 (ii) Except as provided in Subsection (4)(b)(iii), a covered person injured while
608 occupying, using, or maintaining a motor vehicle that is not owned, leased, or furnished to the
609 covered person, the covered person's spouse, or the covered person's resident parent or resident
610 sibling, may also recover benefits under any one other policy under which the covered person is
611 also a covered person.

612 (iii) (A) A covered person may recover benefits from no more than two additional
613 policies, one additional policy from each parent's household if the covered person is:

614 (I) a dependent minor of parents who reside in separate households; and

615 (II) injured while occupying or using a motor vehicle that is not owned, leased, or
616 furnished to the covered person, the covered person's resident parent, or the covered person's

617 resident sibling.

618 (B) Each parent's policy under this Subsection (4)(b)(iii) is liable only for the
619 percentage of the damages that the limit of liability of each parent's policy of underinsured
620 motorist coverage bears to the total of both parents' underinsured coverage applicable to the
621 accident.

622 (iv) A covered person's recovery under any available policies may not exceed the full
623 amount of damages.

624 (v) Underinsured coverage on a motor vehicle occupied at the time of an accident is
625 primary coverage, and the coverage elected by a person described under Subsections
626 [31A-22-305\(1\)\(a\)](#), (b), and (c) is secondary coverage.

627 (vi) The primary and the secondary coverage may not be set off against the other.

628 (vii) A covered person as described under Subsection (4)(b)(i) or is entitled to the
629 highest limits of underinsured motorist coverage under only one additional policy per
630 household applicable to that covered person as a named insured, spouse, or relative.

631 (viii) A covered injured person is not barred against making subsequent elections if
632 recovery is unavailable under previous elections.

633 (ix) (A) As used in this section, "interpolicy stacking" means recovering benefits for a
634 single incident of loss under more than one insurance policy.

635 (B) Except to the extent permitted by this Subsection (4), interpolicy stacking is
636 prohibited for underinsured motorist coverage.

637 (c) Underinsured motorist coverage:

638 (i) does not cover any benefit paid or payable under Title 34A, Chapter 2, Workers'
639 Compensation Act, except that the covered person is credited an amount described in
640 Subsection [34A-2-106\(5\)](#);

641 (ii) may not be subrogated by a workers' compensation insurance carrier, workers'
642 compensation insurance, uninsured employer, the Uninsured Employers Fund created in
643 Section [34A-2-704](#), or the Employers' Reinsurance Fund created in Section [34A-2-702](#);

644 (iii) may not be reduced by benefits provided by workers' compensation insurance,
645 uninsured employer, the Uninsured Employers Fund created in Section [34A-2-704](#), or the
646 Employers' Reinsurance Fund created in Section [34A-2-702](#);

647 (iv) notwithstanding Subsection [31A-1-103\(3\)\(f\)](#) may be reduced by health insurance

648 subrogation only after the covered person is made whole;

649 (v) may not be collected for bodily injury or death sustained by a person:

650 (A) while committing a violation of Section 41-1a-1314;

651 (B) who, as a passenger in a vehicle, has knowledge that the vehicle is being operated

652 in violation of Section 41-1a-1314; or

653 (C) while committing a felony; and

654 (vi) notwithstanding Subsection (4)(c)(v), may be recovered:

655 (A) for a person younger than 18 years old who is injured within the scope of

656 Subsection (4)(c)(v), but is limited to medical and funeral expenses; or

657 (B) by a law enforcement officer as defined in Section 53-13-103, who is injured

658 within the course and scope of the law enforcement officer's duties.

659 (5) (a) Notwithstanding Section 31A-21-313, an action on a written policy or contract
660 for underinsured motorist coverage shall be commenced within four years after the inception of
661 loss.

662 (b) The inception of the loss under Subsection 31A-21-313(1) for underinsured
663 motorist claims occurs upon the date of the settlement check representing the last liability
664 policy payment.

665 (6) An underinsured motorist insurer does not have a right of reimbursement against a
666 person liable for the damages resulting from an injury-causing occurrence if the person's
667 liability insurer has tendered the policy limit and the limits have been accepted by the claimant.

668 (7) Except as otherwise provided in this section, a covered person may seek, subject to
669 the terms and conditions of the policy, additional coverage under any policy:

670 (a) that provides coverage for damages resulting from motor vehicle accidents; and

671 (b) that is not required to conform to Section 31A-22-302.

672 (8) (a) When a claim is brought by a named insured or a person described in
673 Subsection 31A-22-305(1) and is asserted against the covered person's underinsured motorist
674 carrier, the claimant may elect to resolve the claim:

675 (i) by submitting the claim to binding arbitration; or

676 (ii) through litigation.

677 (b) Unless otherwise provided in the policy under which underinsured benefits are
678 claimed, the election provided in Subsection (8)(a) is available to the claimant only, except that

679 if the policy under which insured benefits are claimed provides that either an insured or the
680 insurer may elect arbitration, the insured or the insurer may elect arbitration and that election to
681 arbitrate shall stay the litigation of the claim under Subsection (8)(a)(ii).

682 (c) Once a claimant elects to commence litigation under Subsection (8)(a)(ii), the
683 claimant may not elect to resolve the claim through binding arbitration under this section
684 without the written consent of the underinsured motorist coverage carrier.

685 (d) For purposes of the statute of limitations applicable to a claim described in
686 Subsection (8)(a), if the claimant does not elect to resolve the claim through litigation, the
687 claim is considered filed when the claimant submits the claim to binding arbitration in
688 accordance with this Subsection (8).

689 (e) (i) Unless otherwise agreed to in writing by the parties, a claim that is submitted to
690 binding arbitration under Subsection (8)(a)(i) shall be resolved by a single arbitrator.

691 (ii) All parties shall agree on the single arbitrator selected under Subsection (8)(e)(i).

692 (iii) If the parties are unable to agree on a single arbitrator as required under Subsection
693 (8)(e)(ii), the parties shall select a panel of three arbitrators.

694 (f) If the parties select a panel of three arbitrators under Subsection (8)(e)(iii):

695 (i) each side shall select one arbitrator; and

696 (ii) the arbitrators appointed under Subsection (8)(f)(i) shall select one additional
697 arbitrator to be included in the panel.

698 (g) Unless otherwise agreed to in writing:

699 (i) each party shall pay an equal share of the fees and costs of the arbitrator selected
700 under Subsection (8)(e)(i); or

701 (ii) if an arbitration panel is selected under Subsection (8)(e)(iii):

702 (A) each party shall pay the fees and costs of the arbitrator selected by that party; and

703 (B) each party shall pay an equal share of the fees and costs of the arbitrator selected
704 under Subsection (8)(f)(ii).

705 (h) Except as otherwise provided in this section or unless otherwise agreed to in
706 writing by the parties, an arbitration proceeding conducted under this section is governed by
707 Title 78B, Chapter 11, Utah Uniform Arbitration Act.

708 (i) (i) The arbitration shall be conducted in accordance with Rules 26(a)(4) through (f),
709 27 through 37, 54, and 68 of the Utah Rules of Civil Procedure, once the requirements of

710 Subsections (9)(a) through (c) are satisfied.

711 (ii) The specified tier as defined by Rule 26(c)(3) of the Utah Rules of Civil Procedure
712 shall be determined based on the claimant's specific monetary amount in the written demand
713 for payment of uninsured motorist coverage benefits as required in Subsection (9)(a)(i)(A).

714 (iii) Rules 26.1 and 26.2 of the Utah Rules of Civil Procedure do not apply to
715 arbitration claims under this part.

716 (j) An issue of discovery shall be resolved by the arbitrator or the arbitration panel.

717 (k) A written decision by a single arbitrator or by a majority of the arbitration panel
718 constitutes a final decision.

719 (l) (i) Except as provided in Subsection (9), the amount of an arbitration award may not
720 exceed the underinsured motorist policy limits of all applicable underinsured motorist policies,
721 including applicable underinsured motorist umbrella policies.

722 (ii) If the initial arbitration award exceeds the underinsured motorist policy limits of all
723 applicable underinsured motorist policies, the arbitration award shall be reduced to an amount
724 equal to the combined underinsured motorist policy limits of all applicable underinsured
725 motorist policies.

726 (m) The arbitrator or arbitration panel may not decide an issue of coverage or
727 extra-contractual damages, including:

728 (i) whether the claimant is a covered person;

729 (ii) whether the policy extends coverage to the loss; or

730 (iii) an allegation or claim asserting consequential damages or bad faith liability.

731 (n) The arbitrator or arbitration panel may not conduct arbitration on a class-wide or
732 class-representative basis.

733 (o) If the arbitrator or arbitration panel finds that the arbitration is not brought, pursued,
734 or defended in good faith, the arbitrator or arbitration panel may award reasonable attorney fees
735 and costs against the party that failed to bring, pursue, or defend the arbitration in good faith.

736 (p) An arbitration award issued under this section shall be the final resolution of all
737 claims not excluded by Subsection (8)(m) between the parties unless:

738 (i) the award is procured by corruption, fraud, or other undue means; or

739 (ii) either party, within 20 days after service of the arbitration award:

740 (A) files a complaint requesting a trial de novo in the district court; and

741 (B) serves the nonmoving party with a copy of the complaint requesting a trial de novo
742 under Subsection (8)(p)(ii)(A).

743 (q) (i) Upon filing a complaint for a trial de novo under Subsection (8)(p), a claim shall
744 proceed through litigation pursuant to the Utah Rules of Civil Procedure and Utah Rules of
745 Evidence in the district court.

746 (ii) In accordance with Rule 38, Utah Rules of Civil Procedure, either party may
747 request a jury trial with a complaint requesting a trial de novo under Subsection (8)(p)(ii)(A).

748 (r) (i) If the claimant, as the moving party in a trial de novo requested under Subsection
749 (8)(p), does not obtain a verdict that is at least \$5,000 and is at least 20% greater than the
750 arbitration award, the claimant is responsible for all of the nonmoving party's costs.

751 (ii) If the underinsured motorist carrier, as the moving party in a trial de novo requested
752 under Subsection (8)(p), does not obtain a verdict that is at least 20% less than the arbitration
753 award, the underinsured motorist carrier is responsible for all of the nonmoving party's costs.

754 (iii) Except as provided in Subsection (8)(r)(iv), the costs under this Subsection (8)(r)
755 shall include:

756 (A) any costs set forth in Rule 54(d), Utah Rules of Civil Procedure; and

757 (B) the costs of expert witnesses and depositions.

758 (iv) An award of costs under this Subsection (8)(r) may not exceed \$2,500 unless
759 Subsection (9)(h)(iii) applies.

760 (s) For purposes of determining whether a party's verdict is greater or less than the
761 arbitration award under Subsection (8)(r), a court may not consider any recovery or other relief
762 granted on a claim for damages if the claim for damages:

763 (i) was not fully disclosed in writing prior to the arbitration proceeding; or

764 (ii) was not disclosed in response to discovery contrary to the Utah Rules of Civil
765 Procedure.

766 (t) If a district court determines, upon a motion of the nonmoving party, that a moving
767 party's use of the trial de novo process is filed in bad faith in accordance with Section
768 [78B-5-825](#), the district court may award reasonable attorney fees to the nonmoving party.

769 (u) Nothing in this section is intended to limit a claim under another portion of an
770 applicable insurance policy.

771 (v) If there are multiple underinsured motorist policies, as set forth in Subsection (4),

772 the claimant may elect to arbitrate in one hearing the claims against all the underinsured
773 motorist carriers.

774 (9) (a) Within 30 days after a covered person elects to submit a claim for underinsured
775 motorist benefits to binding arbitration or files litigation, the covered person shall provide to
776 the underinsured motorist carrier:

777 (i) a written demand for payment of underinsured motorist coverage benefits, setting
778 forth:

779 (A) subject to Subsection (9)(I), the specific monetary amount of the demand,
780 including a computation of the covered person's claimed past medical expenses, claimed past
781 lost wages, and all other claimed past economic damages; and

782 (B) the factual and legal basis and any supporting documentation for the demand;

783 (ii) a written statement under oath disclosing:

784 (A) (I) the names and last known addresses of all health care providers who have
785 rendered health care services to the covered person that are material to the claims for which the
786 underinsured motorist benefits are sought for a period of five years preceding the date of the
787 event giving rise to the claim for underinsured motorist benefits up to the time the election for
788 arbitration or litigation has been exercised; and

789 (II) the names and last known addresses of the health care providers who have rendered
790 health care services to the covered person, which the covered person claims are immaterial to
791 the claims for which underinsured motorist benefits are sought, for a period of five years
792 preceding the date of the event giving rise to the claim for underinsured motorist benefits up to
793 the time the election for arbitration or litigation has been exercised that have not been disclosed
794 under Subsection (9)(a)(ii)(A)(I);

795 (B) (I) the names and last known addresses of all health insurers or other entities to
796 whom the covered person has submitted claims for health care services or benefits material to
797 the claims for which underinsured motorist benefits are sought, for a period of five years
798 preceding the date of the event giving rise to the claim for underinsured motorist benefits up to
799 the time the election for arbitration or litigation has been exercised; and

800 (II) the names and last known addresses of the health insurers or other entities to whom
801 the covered person has submitted claims for health care services or benefits, which the covered
802 person claims are immaterial to the claims for which underinsured motorist benefits are sought,

803 for a period of five years preceding the date of the event giving rise to the claim for
804 underinsured motorist benefits up to the time the election for arbitration or litigation have not
805 been disclosed;

806 (C) if lost wages, diminished earning capacity, or similar damages are claimed, all
807 employers of the covered person for a period of five years preceding the date of the event
808 giving rise to the claim for underinsured motorist benefits up to the time the election for
809 arbitration or litigation has been exercised;

810 (D) other documents to reasonably support the claims being asserted; and

811 (E) all state and federal statutory lienholders including a statement as to whether the
812 covered person is a recipient of Medicare or Medicaid benefits or Utah Children's Health
813 Insurance Program benefits under Title 26B, Chapter 3, Part 9, Utah Children's Health
814 Insurance Program, or if the claim is subject to any other state or federal statutory liens; and

815 (iii) signed authorizations to allow the underinsured motorist carrier to only obtain
816 records and billings from the individuals or entities disclosed under Subsections
817 (9)(a)(ii)(A)(I), (B)(I), and (C).

818 (b) (i) If the underinsured motorist carrier determines that the disclosure of undisclosed
819 health care providers or health care insurers under Subsection (9)(a)(ii) is reasonably necessary,
820 the underinsured motorist carrier may:

821 (A) make a request for the disclosure of the identity of the health care providers or
822 health care insurers; and

823 (B) make a request for authorizations to allow the underinsured motorist carrier to only
824 obtain records and billings from the individuals or entities not disclosed.

825 (ii) If the covered person does not provide the requested information within 10 days:

826 (A) the covered person shall disclose, in writing, the legal or factual basis for the
827 failure to disclose the health care providers or health care insurers; and

828 (B) either the covered person or the underinsured motorist carrier may request the
829 arbitrator or arbitration panel to resolve the issue of whether the identities or records are to be
830 provided if the covered person has elected arbitration.

831 (iii) The time periods imposed by Subsection (9)(c)(i) are tolled pending resolution of
832 the dispute concerning the disclosure and production of records of the health care providers or
833 health care insurers.

834 (c) (i) An underinsured motorist carrier that receives an election for arbitration or a
835 notice of filing litigation and the demand for payment of underinsured motorist benefits under
836 Subsection (9)(a)(i) shall have a reasonable time, not to exceed 60 days from the date of the
837 demand and receipt of the items specified in Subsections (9)(a)(i) through (iii), to:

838 (A) provide a written response to the written demand for payment provided for in
839 Subsection (9)(a)(i);

840 (B) except as provided in Subsection (9)(c)(i)(C), tender the amount, if any, of the
841 underinsured motorist carrier's determination of the amount owed to the covered person; and

842 (C) if the covered person is a recipient of Medicare or Medicaid benefits or Utah
843 Children's Health Insurance Program benefits under Title 26B, Chapter 3, Part 9, Utah
844 Children's Health Insurance Program, or if the claim is subject to any other state or federal
845 statutory liens, tender the amount, if any, of the underinsured motorist carrier's determination of
846 the amount owed to the covered person less:

847 (I) if the amount of the state or federal statutory lien is established, the amount of the
848 lien; or

849 (II) if the amount of the state or federal statutory lien is not established, two times the
850 amount of the medical expenses subject to the state or federal statutory lien until such time as
851 the amount of the state or federal statutory lien is established.

852 (ii) If the amount tendered by the underinsured motorist carrier under Subsection
853 (9)(c)(i) is the total amount of the underinsured motorist policy limits, the tendered amount
854 shall be accepted by the covered person.

855 (d) A covered person who receives a written response from an underinsured motorist
856 carrier as provided for in Subsection (9)(c)(i), may:

857 (i) elect to accept the amount tendered in Subsection (9)(c)(i) as payment in full of all
858 underinsured motorist claims; or

859 (ii) elect to:

860 (A) accept the amount tendered in Subsection (9)(c)(i) as partial payment of all
861 underinsured motorist claims; and

862 (B) continue to litigate or arbitrate the remaining claim in accordance with the election
863 made under Subsections (8)(a) through (c).

864 (e) If a covered person elects to accept the amount tendered under Subsection (9)(c)(i)

865 as partial payment of all underinsured motorist claims, the final award obtained through
866 arbitration, litigation, or later settlement shall be reduced by any payment made by the
867 underinsured motorist carrier under Subsection (9)(c)(i).

868 (f) In an arbitration proceeding on the remaining underinsured claims:

869 (i) the parties may not disclose to the arbitrator or arbitration panel the amount paid
870 under Subsection (9)(c)(i) until after the arbitration award has been rendered; and

871 (ii) the parties may not disclose the amount of the limits of underinsured motorist
872 benefits provided by the policy.

873 (g) If the final award obtained through arbitration or litigation is greater than the
874 average of the covered person's initial written demand for payment provided for in Subsection
875 (9)(a)(i) and the underinsured motorist carrier's initial written response provided for in
876 Subsection (9)(c)(i), the underinsured motorist carrier shall pay:

877 (i) the final award obtained through arbitration or litigation, except that if the award
878 exceeds the policy limits of the subject underinsured motorist policy by more than \$15,000, the
879 amount shall be reduced to an amount equal to the policy limits plus \$15,000; and

880 (ii) any of the following applicable costs:

881 (A) any costs as set forth in Rule 54(d), Utah Rules of Civil Procedure;

882 (B) the arbitrator or arbitration panel's fee; and

883 (C) the reasonable costs of expert witnesses and depositions used in the presentation of
884 evidence during arbitration or litigation.

885 (h) (i) The covered person shall provide an affidavit of costs within five days of an
886 arbitration award.

887 (ii) (A) Objection to the affidavit of costs shall specify with particularity the costs to
888 which the underinsured motorist carrier objects.

889 (B) The objection shall be resolved by the arbitrator or arbitration panel.

890 (iii) The award of costs by the arbitrator or arbitration panel under Subsection (9)(g)(ii)
891 may not exceed \$5,000.

892 (i) (i) A covered person shall disclose all material information, other than rebuttal
893 evidence, within 30 days after a covered person elects to submit a claim for underinsured
894 motorist coverage benefits to binding arbitration or files litigation as specified in Subsection
895 (9)(a).

896 (ii) If the information under Subsection (9)(i)(i) is not disclosed, the covered person
897 may not recover costs or any amounts in excess of the policy under Subsection (9)(g).

898 (j) This Subsection (9) does not limit any other cause of action that arose or may arise
899 against the underinsured motorist carrier from the same dispute.

900 (k) The provisions of this Subsection (9) only apply to motor vehicle accidents that
901 occur on or after March 30, 2010.

902 (l) (i) The written demand requirement in Subsection (9)(a)(i)(A) does not affect the
903 covered person's requirement to provide a computation of any other economic damages
904 claimed, and the one or more respondents shall have a reasonable time after the receipt of the
905 computation of any other economic damages claimed to conduct fact and expert discovery as to
906 any additional damages claimed. The changes made by Laws of Utah 2014, Chapter 290,
907 Section 11, and Chapter 300, Section 11, to this Subsection (9)(l) and Subsection (9)(a)(i)(A)
908 apply to a claim submitted to binding arbitration or through litigation on or after May 13, 2014.

909 (ii) The changes made by Laws of Utah 2014, Chapter 290, Section 11, and Chapter
910 300, Section 11, under Subsections (9)(a)(ii)(A)(II) and (B)(II) apply to a claim submitted to
911 binding arbitration or through litigation on or after May 13, 2014.

912 **Section 3. Effective date.**

913 This bill takes effect on May 1, 2024.