

**MOTOR VEHICLE INSURANCE
REQUIREMENTS**

2010 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Todd E. Kiser

Senate Sponsor: Kevin T. Van Tassell

LONG TITLE

General Description:

This bill modifies the Insurance Code by amending provisions relating to notice requirements for motor vehicle insurance carriers.

Highlighted Provisions:

This bill:

- requires an insurance company that gives notice of cancellation of insurance on a motor vehicle insurance coverage policy for nonpayment or nonrenewal of a premium shall immediately notify the lienholder, if any, of the nonpayment or nonrenewal; and

- requires a lienholder to provide a current physical address of notification or an electronic address of notification to an insurance company that is required to make a notification.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

31A-22-322, Utah Code Annotated 1953



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

Section 1. Section **31A-22-322** is enacted to read:

31A-22-322. Lienholder notification of insurance policy lapse for nonpayment.

(1) An insurance company that gives a notice of cancellation of insurance on a motor vehicle insurance coverage policy issued in accordance with the requirements of this part for nonpayment or nonrenewal of a premium shall immediately notify the lienholder, if any, of the nonpayment or nonrenewal.

(2) The notice described in Subsection (1) shall be provided to the lienholder by first class mail or other electronic means of communication.

(3) A lienholder shall provide a current physical address of notification or an electronic address of notification to an insurance company that is required to make a notification under Subsection (1).

(4) Nonpayment under Subsection (1) includes drafts, checks, or other payment instruments that are not honored at a financial institution for any reason.

Legislative Review Note
as of 2-12-10 9:33 AM

Office of Legislative Research and General Counsel

H.B. 378 - Motor Vehicle Insurance Requirements

Fiscal Note

2010 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.
