

Colin W. Jack proposes the following substitute bill:

Automotive Repair Business Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Colin W. Jack

Senate Sponsor: Don L. Ipson

LONG TITLE

General Description:

This bill amends provisions related to automotive repairs.

Highlighted Provisions:

This bill:

▸ requires that a motor vehicle insurance policy contain a disclosure relating to the use of aftermarket crash parts;

▸ ~~Ĥ~~ → ~~[provides that coverage for a motor vehicle accident may not be stepped down under certain circumstances;]~~ ← ~~Ĥ~~

▸ requires that an insurer use crash parts that are substantially equivalent to original equipment manufacturer aftermarket repair parts; ~~Ĥ~~ → and

▸ ~~[grants a motor vehicle owner a right of action against an insurer that does not use crash parts that are substantially equivalent to original equipment manufacturer aftermarket repair parts; and]~~ ← ~~Ĥ~~

▸ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

31A-22-302, as last amended by Laws of Utah 2013, Chapter 91

31A-22-303, as last amended by Laws of Utah 2023, Chapter 415

31A-22-319, as renumbered and amended by Laws of Utah 1995, Chapter 8

27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

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

Section 1. Section **31A-22-302** is amended to read:

31A-22-302 . Required components of motor vehicle insurance policies --

Exceptions.

- (1) Every policy of insurance or combination of policies purchased to satisfy the owner's or operator's security requirement of Section 41-12a-301 shall include:
 - (a) motor vehicle liability coverage under Sections 31A-22-303 and 31A-22-304;
 - (b) uninsured motorist coverage under Section 31A-22-305, unless affirmatively waived under Subsection 31A-22-305(5);
 - (c) underinsured motorist coverage under Section 31A-22-305.3, unless affirmatively waived under Subsection 31A-22-305.3(3);~~and~~
 - (d) except as provided in Subsection (2) and subject to Subsection (4), personal injury protection under Sections 31A-22-306 through 31A-22-309~~;~~ and
 - (e) when the insured purchases the policy of insurance, a clear and conspicuous disclosure of whether the insurer intends to use non-OEM aftermarket crash parts or OEM aftermarket crash parts for repairs.
- (2) A policy of insurance or combination of policies, purchased to satisfy the owner's or operator's security requirement of Section 41-12a-301 for a motorcycle, off-highway vehicle, street-legal all-terrain vehicle, trailer, or semitrailer is not required to have personal injury protection under Sections 31A-22-306 through 31A-22-309.
- (3) A card issued by an insurance company as evidence of owner's or operator's security under Section 41-12a-303.2 on or after July 1, 2014, may not display the owner's or operator's address on the card.
- (4)(a) First party medical coverages may be offered or included in policies issued to motorcycle, off-highway vehicle, street-legal all-terrain vehicle, trailer, and semitrailer owners or operators.
 - (b) Owners and operators of motorcycles, off-highway vehicles, street-legal all-terrain vehicles, trailers, and semitrailers are not covered by personal injury protection coverages in connection with injuries incurred while operating any of these vehicles.
- (5) First party medical coverage expenses shall be governed by the relative value study provisions under Subsections 31A-22-307(2) and (3).

Section 2. Section **31A-22-303** is amended to read:

31A-22-303 . Motor vehicle liability coverage.

- 61 (1)(a) In addition to complying with the requirements of Chapter 21, Insurance
 62 Contracts in General, and Part 2, Liability Insurance in General, a policy of motor
 63 vehicle liability coverage under Subsection 31A-22-302(1)(a) shall:
- 64 (i) name the motor vehicle owner or operator in whose name the policy was
 65 purchased, state ~~[that]~~ the named insured's address, the coverage afforded, the
 66 premium charged, the policy period, and the limits of liability;
- 67 (ii)(A) if ~~[it]~~ the policy is an owner's policy, designate by appropriate reference all
 68 the motor vehicles on which coverage is granted, insure the person named in
 69 the policy, insure any other person using any named motor vehicle with the
 70 express or implied permission of the named insured, and, except as provided in
 71 Section 31A-22-302.5, insure any person included in Subsection (1)(a)(iii)
 72 against loss from the liability imposed by law for damages arising out of the
 73 ownership, maintenance, or use of these motor vehicles within the United
 74 States and Canada, subject to limits exclusive of interest and costs, for each
 75 motor vehicle, in amounts not less than the minimum limits specified under
 76 Section 31A-22-304; or
- 77 (B) if ~~[it]~~ the policy is an operator's policy, insure the person named as insured
 78 against loss from the liability imposed upon ~~[him]~~ the person by law for
 79 damages arising out of the insured's use of any motor vehicle not owned by [
 80 ~~him]~~ the person, within the same territorial limits and with the same limits of
 81 liability as in an owner's policy under Subsection (1)(a)(ii)(A);
- 82 (iii) except as provided in Section 31A-22-302.5, insure persons related to the named
 83 insured by blood, marriage, adoption, or guardianship who are residents of the
 84 named insured's household, including ~~[those]~~ a person who usually ~~[make their]~~
 85 makes the person's home in the same household but temporarily ~~[live]~~ lives
 86 elsewhere, to the same extent as the named insured; and
- 87 ~~[(iv) where a claim is brought by the named insured or a person described in~~
 88 ~~Subsection (1)(a)(iii), the available coverage of the policy may not be reduced or~~
 89 ~~stepped-down because:]~~
- 90 ~~[(A) a permissive user driving a covered motor vehicle is at fault in causing an~~
 91 ~~accident; or]~~
- 92 ~~[(B) the named insured or any of the persons described in Subsection (1)(a)(iii)~~
 93 ~~driving a covered motor vehicle is at fault in causing an accident; and]~~
- 94 ~~[(v)]~~ (iv) cover damages or injury resulting from a covered driver of a motor vehicle

95 who is stricken by an unforeseeable paralysis, seizure, or other unconscious
96 condition and who is not reasonably aware that paralysis, seizure, or other
97 unconscious condition is about to occur to the extent that a person of ordinary
98 prudence would not attempt to continue driving.

99 (b) Where a named insured or a person described in Subsection (1)(a)(iii) brings a claim,
100 the available coverage of the policy may not be reduced or stepped down because:

101 (i) a permissive user driving a covered motor vehicle is at fault in causing an
102 accident; or

103 (ii) the named insured or any of the persons described in Subsection (1)(a)(iii) driving
104 a covered motor vehicle is at fault in causing an accident.

105 ~~(b)~~ (c) The driver's liability under Subsection ~~[(1)(a)(v)]~~ (1)(a)(iv) is limited to the
106 insurance coverage.

107 ~~(e)~~ (d)(i) "Guardianship" under Subsection (1)(a)(iii) includes the relationship
108 between a foster parent and a minor who is in the legal custody of the Division of
109 Child and Family Services if:

110 (A) the minor resides in a foster home, as defined in Section 62A-2-101, with a
111 foster parent who is the named insured; and

112 (B) the foster parent has signed to be jointly and severally liable for compensatory
113 damages caused by the minor's operation of a motor vehicle in accordance with
114 Section 53-3-211.

115 (ii) "Guardianship" as defined under this Subsection ~~[(1)(e)]~~ (1)(d) ceases to exist
116 when a minor described in Subsection ~~[(1)(e)(i)(A)]~~ (1)(d)(i)(A) is no longer a
117 resident of the named insured's household.

118 (2)(a) A policy containing motor vehicle liability coverage under Subsection
119 31A-22-302(1)(a) may:

120 (i) provide for the prorating of the insurance under that policy with other valid and
121 collectible insurance;

122 (ii) grant any lawful coverage in addition to the required motor vehicle liability
123 coverage;

124 (iii) if an insurer issues the policy ~~[is issued]~~ to a person other than a motor vehicle
125 business, limit the coverage afforded to a motor vehicle business or ~~[its]~~ the motor
126 vehicle business's officers, agents, or employees to the minimum limits under
127 Section 31A-22-304, and to those instances when there is no other valid and
128 collectible insurance with at least those limits, whether the other insurance is

- 129 primary, excess, or contingent; and
- 130 (iv) if [issued] an insurer issues the policy to a motor vehicle business, restrict
- 131 coverage afforded to anyone other than the motor vehicle business or its officers,
- 132 agents, or employees to the minimum limits under Section 31A-22-304, and to
- 133 those instances when there is no other valid and collectible insurance with at least
- 134 those limits, whether the other insurance is primary, excess, or contingent.
- 135 (b)(i) The liability insurance coverage of a permissive user of a motor vehicle owned
- 136 by a motor vehicle business shall be primary coverage.
- 137 (ii) The liability insurance coverage of a motor vehicle business shall be secondary to
- 138 the liability insurance coverage of a permissive user as specified under Subsection
- 139 (2)(b)(i).
- 140 (3) Motor vehicle liability coverage need not insure any liability:
- 141 (a) under any workers' compensation law under Title 34A, Utah Labor Code;
- 142 (b) resulting from bodily injury to or death of an employee of the named insured, other
- 143 than a domestic employee, while engaged in the employment of the insured, or while
- 144 engaged in the operation, maintenance, or repair of a designated vehicle; or
- 145 (c) resulting from damage to property owned by, rented to, bailed to, or transported by
- 146 the insured.
- 147 (4) An insurance carrier providing motor vehicle liability coverage has the right to settle
- 148 any claim covered by the policy, and if the insurance carrier makes the settlement [~~is~~
- 149 ~~made~~] in good faith, the amount of the settlement is deductible from the limits of
- 150 liability specified under Section 31A-22-304.
- 151 (5) A policy containing motor vehicle liability coverage imposes on the insurer the duty to
- 152 defend, in good faith, any person insured under the policy against any claim or suit
- 153 seeking damages which would be payable under the policy.
- 154 (6)(a) If a policy containing motor vehicle liability coverage provides an insurer with the
- 155 defense of lack of cooperation on the part of the insured, that defense is not effective
- 156 against a third person making a claim against the insurer, unless there was collusion
- 157 between the third person and the insured.
- 158 (b) If the defense of lack of cooperation is not effective against the claimant, after
- 159 payment, the insurer is subrogated to the injured person's claim against the insured to
- 160 the extent of the payment and is entitled to reimbursement by the insured after the
- 161 injured third person has been made whole with respect to the claim against the
- 162 insured.

- 163 (7)(a) A policy of motor vehicle coverage may limit coverage to the policy minimum
164 limits under Section 31A-22-304 if the policy or a specifically reduced premium was
165 extended to the insured upon express written declaration executed by the insured that
166 the insured motor vehicle would not be operated by a person described in Subsection
167 (7)(c) operating in a manner described in Subsection (7)(b)(i).
- 168 (b)(i) A policy of motor vehicle liability coverage may limit coverage as described in
169 Subsection (7)(a) if the insured motor vehicle is operated by an individual
170 described in Subsection (7)(c) if the individual described in Subsection (7)(c) is
171 guilty of:
- 172 (A) driving under the influence as described in Section 41-6a-502;
 - 173 (B) impaired driving as described in Section 41-6a-502.5; or
 - 174 (C) operating a vehicle with a measurable controlled substance in the individual's
175 body as described in Section 41-6a-517.
- 176 (ii) An individual's refusal to submit to a chemical test as described in Sections
177 41-6a-520 and 41-6a-520.1 is admissible evidence, but not conclusive, that the
178 individual is guilty of an offense described in Subsection (7)(b)(i).
- 179 (c) A reduction in coverage as described in Subsection (7)(a) applies to the following
180 individuals:
- 181 (i) the insured;
 - 182 (ii) the spouse of the insured; or
 - 183 (iii) if the individual has a separate policy as a secondary source of coverage, and:
 - 184 (A) the individual is over [~~the age of 21~~] 21 years old and resides in the household
185 of the insured; or
 - 186 (B) the individual is a permissible user of the motor vehicle.
- 187 (d) A reduction in coverage as described in Subsection (7)(a) does not apply to an
188 individual under [~~the age of 21~~] 21 years old who is a relative of the insured and a
189 resident of the insured's household.
- 190 (8)(a) When a claim is brought exclusively by a named insured or a person described in
191 Subsection (1)(a)(iii) and asserted exclusively against a named insured or an
192 individual described in Subsection (1)(a)(iii), the claimant may elect to resolve the
193 claim:
- 194 (i) by submitting the claim to binding arbitration; or
 - 195 (ii) through litigation.
- 196 (b) Once the claimant has elected to commence litigation under Subsection (8)(a)(ii), the

- 197 claimant may not elect to resolve the claim through binding arbitration under this
198 section without the written consent of both parties and the defendant's liability insurer.
- 199 (c)(i) Unless otherwise agreed on in writing by the parties, a panel of three arbitrators
200 shall resolve a claim that [is submitted] the parties submit to binding arbitration
201 under Subsection (8)(a)(i) [~~shall be resolved by a panel of three arbitrators~~].
- 202 (ii)(A) Unless otherwise agreed on in writing by the parties, each party shall select
203 an arbitrator.[-]
- 204 (B) The arbitrators selected by the parties shall select a third arbitrator.
- 205 (d)(i) Unless otherwise agreed on in writing by the parties, each party [with] shall pay
206 the fees and costs of the arbitrator that party selects.[-]
- 207 (ii) Both parties shall share equally the fees and costs of the third arbitrator.
- 208 (e) Except as otherwise provided in this section, an arbitration procedure conducted
209 under this section shall be governed by Title 78B, Chapter 11, Utah Uniform
210 Arbitration Act, unless otherwise agreed on in writing by the parties.
- 211 (f)(i) [~~Discovery shall be conducted~~] The parties shall conduct discovery in
212 accordance with Rules 26b through 36, Utah Rules of Civil Procedure.
- 213 (ii) [~~All~~] The arbitration panel shall resolve all issues of discovery [~~shall be resolved~~
214 by the arbitration panel].
- 215 (g) A written decision of two of the three arbitrators shall constitute a final decision of
216 the arbitration panel.
- 217 (h) [~~Prior to the~~] Before the rendering of the arbitration award:
218 (i) the existence of a liability insurance policy may be disclosed to the arbitration
219 panel; and
220 (ii) the amount of all applicable liability insurance policy limits may not be disclosed
221 to the arbitration panel.
- 222 (i)(i) The amount of the arbitration award may not exceed the liability limits of all the
223 defendant's applicable liability insurance policies, including applicable liability
224 umbrella policies.[-]
- 225 (ii) If the initial arbitration award exceeds the liability limits of all applicable liability
226 insurance policies, the arbitration award shall be reduced to an amount equal to
227 the liability limits of all applicable liability insurance policies.
- 228 (j) The arbitration award is the final resolution of all claims between the parties unless
229 the award was procured by corruption, fraud, or other undue means.
- 230 (k) If the arbitration panel finds [~~that the action was not brought, pursued, or defended in~~

231 ~~good faith] a party did not bring, pursue, or defend the action in good faith, the~~
 232 ~~arbitration panel may award reasonable fees and costs against the party that failed to~~
 233 ~~bring, pursue, or defend the claim in good faith.~~

234 (l) Nothing in this section is intended to limit any claim under any other portion of an
 235 applicable insurance policy.

236 (9) An at-fault driver or an insurer issuing a policy of insurance under this part that is
 237 covering an at-fault driver may not reduce compensation to an injured party based on the
 238 injured party not being covered by a policy of insurance that provides personal injury
 239 protection coverage under Sections 31A-22-306 through 31A-22-309.

240 Section 3. Section **31A-22-319** is amended to read:

241 **31A-22-319 . Prohibition on insurer requiring certain parts -- Disclosure.**

242 ~~[(1) Unless the insured is given notice in writing an insurer may not specify the use of~~
 243 ~~non-OEM aftermarket crash parts in the repair of an insured's motor vehicle.]~~

244 (1)(a) On or after the day on which an insured makes a claim that will require the repair
 245 or replacement of one or more parts of the insured's motor vehicle, the insurer shall
 246 give the insured notice in writing of whether the insurer will use non-OEM
 247 aftermarket crash parts in the repair of an insured's motor vehicle.

248 (b) The notice[-] required by this Subsection (1) shall identify non-OEM parts as not
 249 made for or by the vehicle manufacturer.

250 ~~[(2)] (c) Unless the [consumer is given] insurer gives the insured notice in writing[prior~~
 251 ~~to installation] in accordance with this Subsection (1) before the insured authorizes~~
 252 ~~repairs, a repair facility or installer may not use non-OEM aftermarket parts to repair~~
 253 ~~a vehicle.~~

254 ~~[(3)] (2) In all instances where [non-OEM aftermarket crash parts are intended for use by an~~
 255 ~~insurer] an insurer intends to use non-OEM aftermarket crash parts:~~

256 (a) the written estimate shall clearly identify each non-OEM aftermarket crash part;~~and]~~

257 (b) a disclosure document containing the following statements in 10 point or larger type
 258 shall appear on or be attached to the insured's copy of the estimate: "This estimate
 259 has been prepared based on the use of crash parts supplied by a source other than the
 260 manufacturer of your motor vehicle. Warranties applicable to these replacement
 261 parts are provided by the manufacturer or distributor of these parts rather than the
 262 manufacturer of your vehicle."; and

263 (c) the insurer shall ensure that the non-OEM aftermarket crash parts are substantially
 264 equivalent to the quality, function, fit, finish, performance, weight, and metal

265 hardness of OEM crash parts.

266 ~~Ĥ→ [(3) A motor vehicle owner has a right of action against an insurer that violates~~

266a Subsection

267 ~~(2).]~~

268 [~~(4) If a motor vehicle owner brings an action against an insurer in accordance with~~] ←Ĥ

269 ~~Ĥ→ [Subsection (5) and a court with jurisdiction determines that the insurer violated.] ←Ĥ~~

270 ~~Ĥ→ [Subsection (2), the court shall award the motor vehicle owner actual damages caused~~

270a ~~by.] ←Ĥ~~

271 ~~Ĥ→ [the violation of Subsection (2).]~~

272 [~~(5) (3) ←Ĥ Notwithstanding Sections 31A-2-101 and 31A-2-201, the department and~~

272a ~~the~~

273 ~~commissioner are not required to administer or otherwise enforce Ĥ→ [Subsections] ←Ĥ Ĥ→~~

273a Subsection ←Ĥ (2)

274 ~~Ĥ→ [through (4)] ←Ĥ .~~

275 Section 4. **Effective Date.**

276 This bill takes effect on May 6, 2026.