

Ronald M. Winterton proposes the following substitute bill:

Punitive Damages Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ronald M. Winterton

House Sponsor:

LONG TITLE

General Description:

This bill enacts provisions relating to punitive damages.

Highlighted Provisions:

This bill:

▸ provides that an insurer may not rely on the existence, likelihood, possibility, or exposure to punitive damages when taking actions under Title 31A, Insurance Code;

▸ provides the circumstances in which a court may award punitive damages against an employer or principal for the conduct of the employer's or principal's employee or agent; and

▸ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

31A-20-101, as last amended by Laws of Utah 1986, Chapter 204

ENACTS:

78B-8-204, Utah Code Annotated 1953

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

Section 1. Section **31A-20-101** is amended to read:

31A-20-101 . Underwriting limitations.

(1) No insurer may insure or attempt to insure against:

[(1)] (a) a wager or gaming risk;

[(2)] (b) loss of an election;

30 ~~[(3)]~~ (c) the penal consequences of a crime; or

31 ~~[(4)]~~ (d) punitive damages.

32 (2) An insurer may not consider, use, or rely upon the existence, likelihood, possibility, or
33 exposure to punitive damages when engaging in any of the following under this title:

34 (a) underwriting;

35 (b) rating;

36 (c) risk classification; or

37 (d) determining premiums or other charges for a policy.

38 Section 2. Section **78B-8-204** is enacted to read:

39 **78B-8-204 . Punitive damages in an employment or agency relationship.**

40 (1) In an action where a plaintiff seeks punitive damages against an employer or principal
41 based on the conduct of an employee or agent:

42 (a) the employer or principal may not be held vicariously liable for punitive damages
43 based solely on the agency or employment relationship; and

44 (b) except as provided in Subsection (2), a court may not award the plaintiff punitive
45 damages against the employer or principal.

46 (2) A court may award punitive damages against an employer or principal for the conduct
47 of an employee or agent if the plaintiff demonstrates by clear and convincing evidence
48 that, in addition to the agent's or employee's conduct, the employer's or principal's
49 conduct was willful, malicious, or in reckless disregard to the rights or safety of others.

50 (3) Subsections (1) and (2) apply to any claim for an award of punitive damages, including
51 a claim for punitive damages arising out of the tortfeasor's operation of a motor vehicle
52 or motorboat while voluntarily intoxicated or under the influence of any drug or
53 combination of alcohol and drugs as prohibited by Section 41-6a-502.

53a **§→ (4) The provisions of this section are subject to Section 63G-7-603. ←§**

54 Section 3. **Effective Date.**

55 This bill takes effect on May 6, 2026.