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New Year, New Laws: 2009 ? Utahns Can Expect To Pay More For Auto Insurance

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Dec. 31--After the confetti settles from tonight's New Year's eve celebrations, Utahns will face a few changes as a dozen new state laws take effect.

One in particular, Sen. Sheldon Killpack's SB149, mandates increased motor vehicle liability insurance coverage -- from \$50,000 to \$65,000 -- for bodily injury of two or more people.

As a result, premiums are expected to rise, but to what extent will vary according to carrier and type of coverage.

While those well-off likely won't see much difference, the working poor will feel the pain and the ranks of the uninsured will increase, predicts Gary Thorup, an attorney for Property Casualty Insurance Association of America.

"There are currently people who are marginally paying for their insurance," Thorup said. "As those rates go up, obviously wallets will be stretched even further. If it's the choice of feeding my family and taking the chance of being uninsured, I will probably opt for the first."

The bill's backers pushed for higher coverage requirements to pay for hefty medical costs incurred in serious accidents.

Paul McGarrell, an agent with Farmers Insurance, maintains that the bump to \$65,000 does not go high enough.

"Medical bills being what they are, it's still not a lot of coverage," McGarrell said. "So when people are badly hurt, the bills can go way beyond that."

However, as a company, Farmers Insurance lobbied against SB149.

"Farmers

opposed it because of the large number who drive uninsured," McGarrell said. "They felt it would increase that number and that having some coverage is better than none."

With the plummeting economy, people are shopping harder for rates, McGarrell added, and more are dropping collision and comprehensive coverage and opting for liability only.

McGarrell also is seeing a trend in which people choose to skip repairs in minor accidents.

"They'll drive around with a dent if they can have cash in their pocket."

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Other bills that take effect Jan. 1:

- HB77 Personal property tax amendments
- HB186 Property tax / county assessment and collection amendments
- HB206 Tax amendments
- HB365 Aviation amendments-- HB373 Uniform fees on vintage motor vehicles
- SB122 Uniform adult guardianship and protective proceedings
- SB136 Apportionment of business income and deduction of net losses by an acquired corporation
- SJR5 Joint resolution on Legislative redistricting

Source: <http://www.le.state.ut.us/>

HB54 Property Tax Assessment Revisions

- Assessors of first and second class counties must use a computer-assisted mass appraisal system to update property values every year.
- Assessors must record the last property review date on every parcel and include that date on the owner's tax notice.
- Assessors must prepare plans to comply with property-review requirements that dictate on-ground valuations once every five years.

HB106 Efficient Vehicle Tax Incentives

- \$750 tax credit on original purchase of new vehicles that meet certain criteria: gas-fueled, 31 mpg or better; diesel-fueled, 36 mpg; 85 percent ethanol and 15 percent gas, 19 mpg; liquefied petroleum gas, 19 mpg.
- \$2,500 tax credit or 35 percent of the purchase price (whichever is less) on compressed natural gas vehicles.

SB72 Justice Court Amendments

- Appointed Justice Court judges must file and run for retention.
- The governing body of the city or county will set the full-time judge's salary at 50 to 90 percent of the district court judge's salary.
- Part-time judge's salary pro-rated in terms of case load.