

Summary of 2010 Legislation – Insurance Related Amendments – Rep. Dunnigan

Background

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<p>Technical change: formatting, numbering, word order, or language changes; no change in intent or practice; Codifying existing practice: new or changed language, no change in practice; Policy change: new language, new practice.</p>		
<p>31A-1-301. Definitions. <i>(this section contains definitions that apply throughout the Insurance Code)</i></p>		
<p>(33) “Creditable coverage.” The Commissioner requests this change to clarify that coverage provided through a public health plan such as PCN, CHIP, or Ryan White are included in the definition of creditable coverage. This change was requested by Utah health insurers.</p> <p>(85) “Insurance Business” or “Business of Insurance.” The Commissioner requests this change to add the ‘transacting or proposing a life settlement’ to the list of items included in the definition of insurance business. Life settlements are regulated under Title 31, Chapter 36 and should have been added to the list when Chapter 36 was enacted.</p>	<p>Technical change. Lines 872. Codifying existing practice. Lines 250-256. This change clarifies the existing practice.</p> <p>Codifying existing practice. Line 586. This change clarifies the existing practice.</p>	<p>This change clarifies the existing practice.</p> <p>This change clarifies the existing practice.</p>
<p>31A-2-403. Title and Escrow Commission created. <i>(this section applies to the Title and Escrow Commission)</i></p>		
<p>The Commissioner requests this change to allow a board member whose term of service is ending by virtue of the statute to continue to serve beyond the statutory limit until the Governor appoints a replacement.</p>	<p>Technical change. Lines 1171-1191 and 1202- 1219. Policy change. Lines 1200-1201. This change allows continuity of a board member’s service until the Governor appoints a replacement.</p>	<p>This change allows continuity of a board member’s service until the Governor appoints a replacement.</p>
<p>31A-2-404. Duties of the commissioner and Title and Escrow Commission. <i>(this section applies to the Title and Escrow Commission)</i></p>		
<p>The commissioner requests this change to delete the outdated requirement to approve assets in the reserve fund, because the reserve fund requirement was deleted by legislation in the 2008 legislative session.</p>	<p>Technical change. Lines 1230-1249 and 1254-1286. Codifying existing practice. Lines 1251-1252. This change deletes unnecessary language from the Code.</p>	<p>This change deletes unnecessary language from the Code.</p>

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31A-3-103. Fees. (this section applies to Department Fees)		
<p>The commissioner requests this change to clarify that the commissioner may set and collect a fee for services provided by the commissioner. The authority to set fees was inadvertently deleted in the 2009 Budgetary Act.</p> <p>The commissioner requests this change to clarify the existing practice of not charging for a copy of the schedule of fees. The schedule of fees is included in rule R590-102 which establishes the deadlines for payment of the fees in the schedule of fees.</p>	<p>Technical change. Lines 1290-1298, 1302-1312, and 1317-1318.</p> <p>Codifying existing practice. Lines 1299-1301. This change clearly states the commissioner’s authority to set and collect a fee for services provided by the commissioner.</p> <p>Codifying existing practice. Lines 1313-1316. This change deletes the requirement to publish and charge for a copy of the schedule of fees.</p>	<p>This change clearly states the commissioner’s authority to set and collect a fee for services provided by the commissioner.</p> <p>This change deletes the requirement to publish and charge for a copy of the schedule of fees.</p>
31A-3-104. Electronic commerce dedicated fees. (this section applies to Department Fees)		
<p>The commissioner requests this change to correct an incorrect Code reference.</p>	<p>Technical change. Lines 1321-1324.</p> <p>Codify existing practice. Line 1331. This change corrects an incorrect Code reference.</p>	<p>This change corrects an incorrect Code reference.</p>
31A-3-304 (Superseded 07/01/10). Annual fees – Other taxes or fees prohibited. (this section applies to Department Fees)		
<p>The commissioner requests this change to delete unnecessary language from the Code. 31A-3-103 references 63J-1-504.</p>	<p>Technical change. Lines 1339 and 1353-1358.</p> <p>Codify existing practice. Lines 1340. This change deletes unnecessary language from the Code.</p>	<p>This change deletes unnecessary language from the Code.</p>
31-3-304 (Effective 07/01/10). Annual fees – Other taxes or fees prohibited. (this section applies to Department Fees)		
<p>The commissioner requests this change to delete unnecessary language from the Code. 31A-3-103 references 63J-1-504.</p>	<p>Technical change. Lines 1365 and 1379-1384.</p> <p>Codify existing practice. Lines 1366. This change deletes unnecessary language from the Code.</p>	<p>This change deletes unnecessary language from the Code.</p>

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31A-5-217.5. Variable contract law. (this section applies to Variable Life Insurance and Annuity Policies)		
<p>The commissioner requests this change to delete unnecessary language from the Code. This section of the Code only applies to domestic insurers. This language is also found in 31A-22-411 which applies to all insurers selling life insurance and annuities.</p> <p>The commissioner requests this change to delete unnecessary language from the Code. This section of the Code only applies to domestic insurers. This language is also found in 31A-20-106 which applies to all insurers.</p> <p>The commissioner requests this change to delete unnecessary language from the Code.</p>	<p>Technical change. Lines 1388-1470.</p> <p>Codify existing practice. Lines 1471-1478. This change deletes unnecessary language from the Code.</p> <p>Codify existing practice. Lines 1479-1505. This change deletes unnecessary language from the Code.</p> <p>Codify existing practice. Lines 1506-1508. This change deletes unnecessary language from the Code.</p>	<p>This change deletes unnecessary language from the Code.</p> <p>This change deletes unnecessary language from the Code.</p> <p>This change deletes unnecessary language from the Code.</p>
31A-15-208. Purchasing groups - - Filing and registration requirements. (this section applies to Purchasing Groups)		
<p>The commissioner requests this change to clarify that purchasing groups have an annual requirement to register with the commissioner and pay a filing fee.</p>	<p>Technical change. Lines 1511-1527 and 1529-1548.</p> <p>Codify existing practice. Lines 1528.</p>	

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31-20-106. Variable contracts. <i>(this section applies to Variable Life Insurance and Annuity Policies)</i>		
<p>The commissioner requests this change to clarify that this requirement applies to all insurers selling life insurance and annuities.</p> <p>The commissioner requests this change to clarify that this requirement applies to all insurers selling life insurance and annuities.</p> <p>The commissioner requests this change to clarify that this requirement applies to all insurers selling life insurance and annuities.</p> <p>The commissioner requests this change to clarify that this requirement applies to all insurers selling life insurance and annuities.</p>	<p>Technical change. Lines 1551-1553, 1555-1557, and 1563-1572.</p> <p>Codify existing practice. Lines 1554. This change clarifies that this requirement applies to all insurers selling life insurance and annuities.</p> <p>Codify existing practice. Lines 1558-1562. This change clarifies that this requirement applies to all insurers selling life insurance and annuities.</p> <p>Codify existing practice. Lines 1573-1577. This change clarifies that this requirement applies to all insurers selling life insurance and annuities.</p> <p>Codify existing practice. Lines 1578-1584. This change clarifies that this requirement applies to all insurers selling life insurance and annuities.</p>	<p>This change clarifies that this requirement applies to all insurers selling life insurance and annuities.</p> <p>This change clarifies that this requirement applies to all insurers selling life insurance and annuities.</p> <p>This change clarifies that this requirement applies to all insurers selling life insurance and annuities.</p> <p>This change clarifies that this requirement applies to all insurers selling life insurance and annuities.</p>
31A-21-201. Filing of forms. <i>(this section applies to Form Filing – Health Insurance Universal Application)</i>		
<p>The commissioner requests this change to delete the requirement that the insurer’s name be on the universal health insurance application used by all health insurers in accordance with 31A-22-635.</p>	<p>Technical change. Lines 1587-1609 and 1614-1658.</p> <p>Codify existing practice. Lines 1610. This change deletes the requirement that the insurer’s name be on the universal health insurance application used by all health insurers.</p>	<p>This change deletes the requirement that the insurer’s name be on the universal health insurance application used by all health insurers.</p>
31A-21-301. Clauses required to be in a prominent position. <i>(this section applies to Variable Life Insurance and Annuity Policies)</i>		
<p>The commissioner requests this change to correct an incorrect Code reference.</p>	<p>Codify existing practice. Lines 1671-1672. This change corrects an incorrect Code reference.</p>	<p>This change corrects an incorrect Code reference.</p>

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31A-22-305.3. Underinsured motorist coverage. (this section applies to Automobile Insurance)		
<p>The commissioner requests this change for the automobile insurers to expand the definition of underinsured vehicle to include a vehicle owned or leased by a named insured, a named insured's spouse, or a dependent of a named insured. The previous language created confusion when a insurance policy had multiple named insureds because the language said 'the named insured.'</p> <p>The commissioner requests this change to delete unnecessary language from the Code.</p>	<p>Technical change. Lines 1694-1697, 1726, 1738-1743, 1756, 1766-1767, 1781-1782, 1796-1800, 1831, 1853-1858, 1866-1877, 1885, and 1907-1911.</p> <p>Policy change. Lines 1691-1693. This change expands the definition of underinsured motor vehicle to include a vehicle owned or leased by a named insured, a named insured's spouse, or a dependent of a named insured.</p> <p>Codify existing practice. Lines 1744-1753. This change deletes an outdated requirement.</p>	<p>This change expands the definition of underinsured motor vehicle to include a vehicle owned or leased by a named insured, a named insured's spouse, or a dependent of a named insured.</p> <p>This change deletes an outdated requirement.</p>
31A-22-411. Contracts providing variable benefits. (this section applies to Variable Life Insurance and Annuity Policies)		
<p>The commissioner requests this change to bring the language into conformity with other language in the Code describing separate accounts within a variable benefit insurance policy.</p>	<p>Technical change. Lines 1918-1945 and 1947-1949.</p> <p>Codify existing practice. Lines 1946 and 1950. This change replaces an incorrect word (segregated) with the correct word (separate).</p>	<p>This change replaces an incorrect word (segregated) with the correct word (separate).</p>
31A-22-429. Insurance premium finance agreement. (this section applies to Life Settlements)		
<p>The commissioner requests this change to provide guidance to persons who provide financing for an insurance policy as to what proceeds, fees, or other consideration they may receive. This language is found in the prohibited practices section of the NCOIL Life Settlements Model Act. The word 'reasonable' was added from a California bill.</p>	<p>Technical change. None.</p> <p>Policy change. Lines 1952-1962. This change provides guidance to persons who provide financing for an insurance policy as to what proceeds, fees, or other consideration they may receive.</p>	<p>This change provides guidance to persons who provide financing for an insurance policy as to what proceeds, fees, or other consideration they may receive.</p>

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31A-22-625. Catastrophic coverage of mental health conditions. (this section applies to Health Insurance)		
<p>The commissioner requests this change to clarify that Utah health insurers must comply with new Federal requirements.</p> <p>The commissioner requests this change to delete an outdated requirement from the Code.</p>	<p>Technical change. Lines 1966-1967, 1972, 1976, 1980, 1982-2004, 2007, 2014-2031, 2033-2036, 2040, 2050, 2056-2061, 2064-2071, and 2078-2090.</p> <p>Policy change. Lines 2030-2032. This change clarifies that Utah health insurers must comply with new Federal requirements.</p> <p>Codify existing practice. Lines 2072-2077. This change deletes an outdated requirement from the Code.</p>	<p>This change clarifies that Utah health insurers must comply with new Federal requirements.</p> <p>This change deletes an outdated requirement from the Code.</p>
31A-22-701. Groups eligible for group or blanket insurance. (this section applies to Health Insurance – non-employer groups)		
<p>The commissioner requests this change to codify the definition for an association group. This definition was based on the HIPAA definition of an association.</p> <p>The commissioner requests this change to bring the requirements for an association group found in the life insurance and annuity section of Chapter 22 to the health section of Chapter 22.</p> <p>The commissioner requests this change to clarify the requirements for a discretionary group.</p> <p>The commissioner requests this change to increase the ‘actively in existence’ requirement from two years for an association group offering life insurance and annuities to five years for an association group offering health insurance. 5 years is HIPAA language.</p> <p>The commissioner requests this change to delete the requirement that a discretionary group be formed for a reason other than the purchase of insurance. The reason for the formation of a discretionary group is for the</p>	<p>Technical change. Lines 2115, 2128-2129, 2138, 2144, and 2156-2161.</p> <p>Codify existing practice. Lines 2093-2096. This change codifies the definition of an association group.</p> <p>Codify existing practice. Lines 2102-2114. This change brings the requirements for an association group found in the life insurance and annuity section of Chapter 22 to the health section of Chapter 22.</p> <p>Codify existing practice. Lines 2124-2127. This change clarifies the requirements for a discretionary group.</p> <p>Policy change. Lines 2103. This change increases the ‘actively in existence’ requirement from two years for an association group offering life insurance and annuities to five years for an association group offering health insurance.</p> <p>Codify existing practice. Lines 2124. This change deletes the requirement that a discretionary group be formed for a reason other than the purchase of insurance.</p>	<p>This change codifies the definition of an association group.</p> <p>This change brings the requirements for an association group found in the life insurance and annuity section of Chapter 22 to the health section of Chapter 22.</p> <p>This change clarifies the requirements for a discretionary group.</p> <p>This change increases the ‘actively in existence’ requirement from two years for an association group offering life insurance and annuities to five years for an association group offering health insurance.</p> <p>This change deletes the requirement that a discretionary group be formed for a reason other than the purchase of insurance.</p>

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purchase of insurance.		
31A-22-722. Utah mini-COBRA benefits for employer group coverage. (this section applies to Health Insurance)		
<p>The commissioner requests this change to clarify that required contributions include premiums due from an employee.</p> <p>The commissioner requests this change to clarify that termination in this context refers to termination of the employee’s employment.</p> <p>The commissioner requests this change to clarify that the reasons for denying an employee the right to extend coverage are the same as those reasons for denying coverage to an employee’s spouse or dependent.</p>	<p>Technical change. Lines 2164, 2174, 2177-2179, 2184-2186, 2189-2192, 2199-2210, 2224, 2227, 2232, 2241-2242, 2245, and 2247-2250.</p> <p>Codify existing practice. Lines 2180-2181. This change clarifies that required contributions include premiums due from an employee.</p> <p>Codify existing practice. Lines 2188. This change clarifies that termination in this context refers to termination of the employee’s employment.</p> <p>Codify existing practice. Lines 2193-2197. This change clarifies that the reasons for denying an employee the right to extend coverage are the same as those reasons for denying coverage to an employee’s spouse or dependent.</p>	<p>This change clarifies that required contributions include premiums due from an employee.</p> <p>This change clarifies that termination in this context refers to termination of the employee’s employment.</p> <p>This change clarifies that the reasons for denying an employee the right to extend coverage are the same as those reasons for denying coverage to an employee’s spouse or dependent.</p>
31A-22-725. Special enrollment periods relating to Medicaid and Children’s Health Insurance Program. (this section applies to Health Insurance – Federal Law)		
The commissioner requests this change to bring the Code into compliance with the Federal requirements of the Children’s Health Insurance Reinvestment Act of 2009.	<p>Technical change. None.</p> <p>Policy change. Lines 2268-2293. This change brings the Code into compliance with the Federal requirements of the Children’s Health Insurance Reinvestment Act of 2009.</p>	This change brings the Code into compliance with the Federal requirements of the Children’s Health Insurance Reinvestment Act of 2009.
31A-26-201. Requirement of license. (this section applies to Adjusters)		
The commissioner requests this change to clarify that person refers to an individual and not the broader definition of person. This change was requested by industry.	<p>Technical change. Lines 2296-2303, 2309-2312, and 2320-2338.</p> <p>Codify existing practice. Lines 2304 and 2318. This change clarifies that person refers to an individual and not the broader definition of person.</p>	This change clarifies that person refers to an individual and not the broader definition of person.

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31A-35-401. Requirement for license or certificate of authority – Process – Fees – Limitations. <i>(this section applies to Department Fees)</i>		
The commissioner requests this change to replace the Code reference to 63J-1-504 with the Insurance Code fee reference of 31A-3-103. 63J-1-504 is referred to in 31A-3-103 and is unnecessary in this section.	Technical change. Lines 2358-2359. Codify existing practice. Lines 2355-2356. This change replaces the Code fee reference to 63J-1-504 with the Insurance Code reference of 31A-3-103.	This change replaces the Code fee reference to 63J-1-504 with the Insurance Code reference of 31A-3-103.
31A-35-406. Renewal and reinstatement. <i>(this section applies to Department Fees)</i>		
The commissioner requests this change to replace the Code reference to 63J-1-504 with the Insurance Code fee reference of 31A-3-103. 63J-1-504 is referred to in 31A-3-103 and is unnecessary in this section.	Technical change. Lines 2388.. Codify existing practice. Lines 2371, 2379, and 2384. This change replaces the Code fee reference to 63J-1-504 with the Insurance Code reference of 31A-3-103.	This change replaces the Code fee reference to 63J-1-504 with the Insurance Code reference of 31A-3-103.
31A-36-102. Definitions. <i>(this section applies to Life Settlements)</i>		
The commissioner requests this change to delete unnecessary language from the Code. The commissioner requests this change to correct an inadvertent change that was done in the 2009 legislative session. When the term ‘viatical settlement’ was changed to ‘life settlement’ throughout the Code, this term was incorrectly changed to ‘life settlement.’	Technical change. Lines 2574-2575 and 2586-2589. Codify existing practice. Lines 2459-2460. This change deletes unnecessary language from the Code. Codify existing practice. Lines 2477. This change correct an inadvertent change that was done in the 2009 legislative session.	This change deletes unnecessary language from the Code. This change correct an inadvertent change that was done in the 2009 legislative session.

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31A-40-103. Duties of the commissioner. <i>(this section applies to Professional Employer Organizations)</i>		
<p>The commissioner requests this change to delete an outdated requirement from the Code.</p> <p>The commissioner requests this change to add rulemaking authority to prescribe rules dealing with the voluntary and involuntary surrender of a PEO license.</p> <p>The commissioner requests this change to add rulemaking authority to prescribe rules dealing with correcting a deficiency in working capital or a situation involving negative working capital.</p>	<p>Technical change. Lines 2627, 2632, 2635, and 2641-2642.</p> <p>Codify existing practice. Lines 2644-2646. This change deletes an outdated requirement from the Code.</p> <p>Policy change. Lines 2636-2639. This change adds rulemaking authority to prescribe rules dealing with the voluntary and involuntary surrender of a PEO license.</p> <p>Policy change. Lines 2628-2631. This change adds rulemaking authority to prescribe rules dealing with correcting a deficiency in working capital or a situation involving negative working capital.</p>	<p>This change deletes an outdated requirement from the Code.</p> <p>This change adds rulemaking authority to prescribe rules dealing with the voluntary and involuntary surrender of a PEO license.</p> <p>This change adds rulemaking authority to prescribe rules dealing with correcting a deficiency in working capital or a situation involving negative working capital.</p>
31A-40-302. Licensing process. <i>(this section applies to Professional Employer Organizations)</i>		
<p>The commissioner requests this change to clarify when a license fee is not refundable.</p> <p>The commissioner requests this change to delete outdated and unnecessary language from the Code.</p> <p>The commissioner requests this change to establish a specific date for renewal of a PEO license.</p>	<p>Technical change. Lines 2656.</p> <p>Codify existing practice. Lines 2656. This change clarifies when a license fee is not refundable.</p> <p>Codify existing practice. Lines 2693-2699. This change deletes outdated and unnecessary language from the Code.</p> <p>Policy change. Lines 2700-2701. This change establishes a specific date for renewal of a PEO license.</p>	<p>This change clarifies when a license fee is not refundable.</p> <p>This change deletes outdated and unnecessary language from the Code.</p> <p>This change establishes a specific date for renewal of a PEO license.</p>
31A-40-307. Voluntary surrender of professional employer organization license. <i>(this section applies to Professional Employer Organizations)</i>		
<p>The commissioner requests this change to establish in Code procedures and requirements pertaining to the voluntary surrender of a professional employer organization license.</p>	<p>Technical change. None.</p> <p>Policy change. Lines 2703-2728. This change establishes in Code procedures and requirements pertaining to the voluntary surrender of a professional employer organization license.</p>	<p>This change establishes in Code procedures and requirements pertaining to the voluntary surrender of a professional employer organization license.</p>

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<p>31A-42-201. Creation of defined contribution risk adjuster mechanism – Board of directors – Appointment – Terms – Quorum – Plan preparation. (this section applies to Health Reform – Risk Adjuster Board)</p>		
<p>The commissioner requests this change to delete the requirement for the Governor to appoint with the consent of the Senate the board members representing the Public Employee Health Program and the Insurance Commissioner.</p> <p>The commissioner requests this change to allow a board member whose term has expired to continue to serve until reappointed or replaced so the Board can continue to function.</p> <p>The commissioner requests this change to allow the Board to conduct business if the Governor has appointed less than the maximum number of appointed board members. The Governor has the option of appointing no less than 3 nor more than 5 board members representing insurers thus the Board could be 6 to 9 members. A fixed number of board members to constitute a quorum is thus unworkable.</p>	<p>Technical change. Lines 2732-2748 and 2770-2773.</p> <p>Policy change. Lines 2749-2754. This change deletes the requirement for the Governor to appoint with the consent of the Senate the board members representing the Public Employee Health Program and the Insurance Commissioner.</p> <p>Policy change. Lines 2765-2767. This change allows a board member whose term has expired to continue to serve until reappointed or replaced.</p> <p>Policy change. Lines 2776. This change allows the Board to conduct business if the Governor has appointed less than the maximum number of appointed board members.</p>	<p>This change deletes the requirement for the Governor to appoint with the consent of the Senate the board members representing the Public Employee Health Program and the Insurance Commissioner.</p> <p>This change allows a board member whose term has expired to continue to serve until reappointed or replaced.</p> <p>This change allows the Board to conduct business if the Governor has appointed less than the maximum number of appointed board members.</p>

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<p>63J-1-602. Nonlapsing accounts and funds. <i>(this section applies to Department Fees)</i></p>		
<p>The commissioner requests this change to add agency nonlapsing accounts that were inadvertently left off of the list adopted in 2009 legislation. This error was discovered when the FY 2009 closing was submitted by the Department to the Division of Finance. These accounts have been treated as nonlapsing accounts since their inception, however, the description of these accounts did not include the words ‘nonlapsing’ thus they were not included in the 2009 legislation.</p>	<p>Technical change. Lines 2825-3007. Codify existing practice. Lines 2816-2824. This change adds agency nonlapsing accounts that were inadvertently left off of the list adopted in 2009 legislation.</p>	<p>This change adds agency nonlapsing accounts that were inadvertently left off of the list adopted in 2009 legislation.</p>