

Summary of HB 19 – Insurance Code Related Amendments – Rep. Dunnigan

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.

Cite Change	Effect / Benefits
31A-1-301. Definitions.	
<p>(14) "Blanket insurance policy" means a group policy covering a defined class of persons: (a) without individual underwriting or application; and (b) that is determined by definition [with or] without designating each person covered.</p> <p>(16) <u>"Bona fide office" means a physical office in this state: (a) that is open to the public; (b) that is staffed during regular business hours on regular business days; and (c) at which the public may appear in person to obtain services.</u></p> <p>[(88)] (90) (a) "Insurance producer" or "producer" means a person licensed or required to be licensed under the laws of this state to sell, solicit, or negotiate insurance. [(b) With regards to the selling, soliciting, or negotiating of an insurance product to an insurance customer or an insured:] [(i) "producer" (b) (i) "Producer for the insurer" means a producer who is compensated directly or indirectly by an insurer for selling, soliciting, or negotiating [a] an insurance product of that insurer[-and]. [(ii) "Producer for the insurer" may be referred to as an "agent." [(ii) "producer" (c) (i) "Producer for the insured" means a producer who: (A) is compensated directly and only by an insurance customer or an insured; and (B) receives no compensation directly or indirectly from an insurer for selling, soliciting, or negotiating [a] an <u>insurance</u> product of that insurer to an insurance customer or insured. [(ii) "Producer for the insured" may be referred to as a "broker."</p>	<p>Codifying existing practice. The definition clarifies blanket policies must cover an entire class of persons. Line 191</p> <p>Policy change. Term had no definition in 31A, but is used in more than one place. Lines 194-197</p> <p>Codifying existing practice. Clarifies that a producer for the insurer may be called an agent, and a producer for the insured by be called a broker. Lines 650-663</p>
31A-2-208. Publications.	
<p>(1) The commissioner may prepare and distribute books, pamphlets, and other publications relating to insurance. Except as otherwise provided under this title, the [insurance] commissioner may charge the cost of producing [the publications] <u>a publication</u> to those desiring to receive [them] <u>the publication</u>. Money collected from subscription fees charged for [these publications] <u>a publication</u> shall be deposited [as dedicated credits to be used solely for the production and mailing costs of the publications] <u>into the Relative Value Study Restricted Account, created in Section 59-9-105, to be used as provided in Section 59-9-105.</u></p> <p>(2) The commissioner shall have the annual report required in Subsection 31A-2-207(5) printed: (a) in a form determined by [him] <u>the commissioner</u>; and (b) in sufficient numbers to meet [all] requests for copies.</p> <p>(3) The commissioner shall publish in [his] the annual report <u>required in Subsection 31A-2-207(5)</u> an up-to-date chart and explanation of the organization of [his] <u>the commissioner's</u> office, making clear the allocation</p>	<p>Policy change. Restates existing accounting practices. The changes resolve an accounting issue that arose after the passage of changes to the Budgetary Procedures Act in 2010 Legislative Session. It converts an existing account from a dedicated credits account to a restricted account. Lines 1237-1244</p>

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<p>of responsibility and authority among the staff. This [document] <u>up-to-date chart and explanation</u> shall be printed in sufficient numbers [sufficient] to meet [all] requests for copies.</p>	
<p>31A-2-212. Miscellaneous duties.</p>	<p>Technical changes. Lines 1255-1294</p>
<p>31A-3-304. Annual fees -- Other taxes or fees prohibited -- Captive Insurance Restricted Account.</p>	
<p>(1) (a) A captive insurance company shall pay an annual fee imposed under this section to obtain or renew a certificate of authority.</p> <p>(b) The commissioner shall:</p> <p>(i) determine the annual fee pursuant to Section 31A-3-103; and</p> <p>(ii) consider whether the annual fee is competitive with fees imposed by other states on captive insurance companies.</p> <p>(2) A captive insurance company that fails to pay the fee required by this section is subject to the relevant sanctions of this title.</p> <p>(3) (a) Except as provided in Subsection (3)(b)<u>(d)</u> and notwithstanding Title 59, Chapter 9, Taxation of Admitted Insurers, [the fee provided for in this section constitutes the sole tax or fee] <u>the following constitute the sole taxes, fees, or charges</u> under the laws of this state that may be [otherwise] levied or assessed on a captive insurance company], and no other occupation tax or other tax or fee may be levied or collected from a captive insurance company by the state or a county, city, or municipality within this state.]:</p> <p>[(b) Notwithstanding Subsection (3)(a), a]</p> <p><u>(i) a fee under this section;</u></p> <p><u>(ii) a fee under Chapter 37, Captive 1303 Insurance Companies Act; and</u></p> <p><u>(iii) a fee under Chapter 37a, Special Purpose Financial Captive Insurance Company Act.</u></p> <p><u>(b) The state or a county, city, or town within the state may not levy or collect an occupation tax or other tax, fee, or charge not described in Subsection (3)(a)(i) through (iii) against a captive insurance company.</u></p> <p><u>(c) The state may not levy, assess, or collect a withdrawal fee under Section 31A-4-115 against a captive insurance company.</u></p> <p><u>(d) A</u> captive insurance company is subject to real and personal property taxes.</p> <p>(4) A captive insurance company shall pay the fee imposed by this section to the commissioner by [March 31] <u>June 20</u> of each year.</p> <p>(5) (a) Money received pursuant to [Subsection (2)] <u>a fee described in Subsection (3)(a)</u> shall be deposited into the Captive Insurance Restricted Account.</p> <p>(b) There is created in the General Fund a restricted account known as the "Captive Insurance Restricted Account."</p> <p>(c) The Captive Insurance Restricted Account shall consist of the fees [imposed by the commissioner in accordance with this section] <u>described in Subsection (3)(a).</u></p> <p>(d) The commissioner shall administer the Captive Insurance Restricted Account. Subject to appropriations by the Legislature, the commissioner shall use the money deposited into the Captive Insurance Restricted Account to:</p> <p>(i) administer and enforce:</p> <p><u>(A) Chapter 37, Captive Insurance Companies Act; and</u></p>	<p>Clarification of existing accounting practice. The changes clarify the statute in regard to the fees that may be imposed on captive insurance companies organized in the State. Lines 1306-1340</p>

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<p>(B) Chapter 37a, Special Purpose Financial Captive Insurance Company Act; and</p> <p>(ii) promote the captive insurance industry in Utah.</p> <p>(e) An appropriation from the Captive Insurance Restricted Account is nonlapsing, except that at the end of each fiscal year, money received by the commissioner in excess of [\$600,000] <u>\$950,000</u> shall be treated as free revenue in the General Fund.</p>	<p>Accounting Policy Change. This amendment raises the cap on the fees paid by captives to the department. The effect is that any revenue in excess of the cap flows into the General Fund.</p>
<p>31A-14-211. Restrictions on foreign title insurers.</p>	
<p>(1) An authorized foreign title insurer may not insure property in this state except:</p> <p>(a) through a title insurance producer who is a resident in Utah; or (b) through a bona fide branch office in Utah:</p> <p>(i) that is under the direction and control of the <u>authorized foreign</u> title insurer that pays all;</p> <p>(ii) <u>for which the authorized foreign title insurer pays the expenses of the branch office, including compensation of all the employees; or of the bona fide office;</u></p> <p>(A) <u>at which a person may request information about title services related to a real estate transaction for which the person is a party;</u></p> <p>(B) <u>at which a person may deliver written communications to the authorized foreign title insurer as required by the real estate transaction for which the person is a party; and</u></p> <p>(C) <u>at which a person may deliver escrow money related to a real estate transaction for which the person is a party.</u></p> <p>(e) through a subsidiary title insurer authorized to do business in Utah.</p>	<p>Policy change. Change in policy to reflect the need to have a physical office that a consumer may come to do complete documents regarding real estate transactions, ask questions, and obtain title insurance. Supported by the Title Commission. Lines 1345-1356</p>
<p>31A-22-305. Uninsured motorist coverage.</p>	
<p>(3) (a) Uninsured motorist coverage under Subsection 31A-22-302(1)(b) provides 1388 coverage for covered persons who are legally entitled to recover damages from owners or operators of uninsured motor vehicles because of bodily injury, sickness, disease, or death.</p> <p>(b) For new policies written on or after January 1, 2001, the limits of uninsured 1391 motorist coverage shall be equal to the lesser of the limits of the insured's motor vehicle liability coverage or the maximum uninsured motorist coverage limits available by the insurer under the insured's motor vehicle policy, unless the insured purchases coverage in a lesser amount by signing an acknowledgment form that:</p> <p>(i) is filed with the department;</p> <p>(ii) is provided by the insurer;</p> <p>(iii) waives the higher coverage;</p> <p>(iv) reasonably explains the purpose of uninsured motorist coverage; and</p> <p>(v) discloses the additional premiums required to purchase uninsured motorist coverage with limits equal to the lesser of the limits of the insured's motor vehicle liability coverage or the maximum uninsured motorist coverage limits available by the insurer under the insured's motor vehicle policy.</p> <p>(c) A self-insured, including a governmental entity, may elect to provide uninsured 1404 motorist coverage in an amount that is less than its maximum self-insured retention under Subsections (3)(b) and (4)(a) by issuing a declaratory memorandum or policy statement from the chief financial officer or chief risk officer that declares the:</p> <p>(i) self-insured entity's coverage level; and</p>	<p>Technical Change. The change will update the uninsured motorist coverage provision to remove language that is no longer needed and to remove a conflict with this provision and the underinsured motorist coverage provision in which the same language was removed in last year's session.</p>

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(ii) process for filing an uninsured motorist claim.

(d) Uninsured motorist coverage may not be sold with limits that are less than the minimum bodily injury limits for motor vehicle liability policies under Section 31A-22-304.

(e) The acknowledgment under Subsection (3)(b) continues for that issuer of the uninsured motorist coverage until the insured, in writing, requests different uninsured motorist coverage from the insurer.

~~[(f) (i) In conjunction with the first two renewal notices sent after January 1, 2001, for policies existing on that date, the insurer shall disclose in the same medium as the premium renewal notice, an explanation of:]~~

~~[(A) the purpose of uninsured motorist coverage; and]~~

~~[(B) the costs associated with increasing the coverage in amounts up to and including the maximum amount available by the insurer under the insured's motor vehicle policy.]~~

~~[(ii) The disclosure required under this Subsection (3)(f) shall be sent to all insureds that carry uninsured motorist coverage limits in an amount less than the insured's motor vehicle liability policy limits or the maximum uninsured motorist coverage limits available by the insurer under the insured's motor vehicle policy.]~~

Lines 1414-1423.

31A-22-607. Grace period.

(1) ~~[Every]~~ (a) An individual or franchise accident and health insurance policy shall contain one or more clauses providing for a grace period for premium payment only of:

(i) at least 15 days for a weekly or monthly premium ~~[policies]~~ policy; and

(ii) 30 days for ~~[all other policies]~~ a policy that is not a weekly or monthly premium policy, for each premium after the first premium payment. ~~[A carrier]~~

(b) An insurer may elect to include a grace period that is longer than 15 days for a weekly or monthly ~~[policies]~~ policy.

~~[(a) The]~~ (c) An individual or franchise accident and health insurance policy is not in force during [the] a grace period.

~~[(b) If the]~~ (d) If an insurer receives payment before [the] a grace period expires, the individual or franchise accident and health insurance policy continues in force with no gap in coverage.

~~[(c) If the]~~ (e) If an insurer does not receive payment before [the] a grace period expires, the [policy shall be] individual or franchise accident and health insurance policy is terminated as of the last date for which the premium [was] is paid in full.

~~[(d)]~~ (f) A grace period is not required if the policyholder has requested that the individual or franchise accident and health insurance policy be discontinued.

(2) ~~[Every]~~ (a) A group or blanket accident and health insurance policy shall provide for a grace period of at least 30 days, unless the policyholder gives written notice of discontinuance [prior to] before the date of discontinuance, in accordance with the policy terms. [In group or blanket policies, the]

(b) A group or blanket accident and health insurance policy is in force during a grace period.

(c) If an insurer does not receive payment before a grace period expires, the group or blanket accident and health policy is terminated as of the last day of the grace period.

(d) A group or blanket accident and health insurance policy may provide for payment of a pro rata premium

Codifying existing practice. Changing the format to mimic layout of Subsection (1). For at least the past 16 years, insurers have been required to provide coverage to persons covered under a group policy during the grace period. Some insurer's have misinterpreted both this section and terminated coverage based on the requirements for individual policies. **Lines 1723-1754**

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for the period the <u>group or blanket accident and health insurance</u> policy is in effect during [the] a grace period under this Subsection (2).	
(3) If [the] <u>an</u> insurer has not guaranteed the insured a right to renew an accident and health policy, [any] a grace period beyond the expiration or anniversary date may, if provided in the <u>accident and health insurance</u> policy, be cut off by compliance with the notice provision under Subsection 31A-21-303(4)(b).	
31A-22-610.6. Special enrollment for individuals receiving premium assistance.	Technical change. Lines 1784-85
31A-22-614.5. Uniform claims processing -- Electronic exchange of health information.	Technical change. Lines 1814, 1823
31A-22-618.5. Health benefit plan offerings.	
<p>(3) An insurer that offers a health benefit plan that is not subject to Chapter 8, Health Maintenance Organizations and Limited Health Plans:</p> <p>(a) notwithstanding Subsection 31A-22-617(2), may offer a health benefit plan that groups providers into the following reimbursement levels:</p> <p>(i) tier one contracted providers;</p> <p>(ii) tier two contracted providers who the insurer must reimburse at least 75% of tier one providers; and</p> <p>(iii) one or more tiers of non-contracted providers; and</p> <p>(b) notwithstanding Subsection 31A-22-617(9) may offer a health benefit plan that is not subject to Section 31A-22-618;</p> <p>(c) beginning July 1, 2012, may offer [products under Subsection (3)(a)] <u>health benefit plans</u> that:</p> <p>(i) are not subject to Subsection 31A-22-617(2); and</p> <p>(ii) are subject to the reimbursement requirements in Section 31A-8-501;</p> <p>(d) when offering a health plan under this Subsection (3), shall provide coverage of emergency care services as required by Section 31A-22-627 by providing coverage at a reimbursement level of at least 75% of:</p> <p><u>(i) tier one providers for health benefit plans offered under Subsection (3)(a); and</u></p> <p><u>(ii) the health benefit plan's highest contracted provided category for health benefit plans offered under Subsection (3)(c); and</u></p> <p>(e) are not subject to coverage mandates enacted after January 1, 2009 that are not required by federal law, provided that an insurer offers one plan that covers a mandate enacted after January 1, 2009.</p>	Lines 1892-1893
31A-22-625. Catastrophic coverage of mental health conditions.	Technical change. Line 1961
31A-22-701 Groups eligible for group or blanket insurance.	
<p>(1) As used in this section, "association group" means a lawfully formed association of individuals or business entities that:</p> <p>(a) purchases insurance on a group basis on behalf of members; and</p> <p>(b) is formed and maintained in good faith for purposes other than obtaining insurance.</p> <p>(2) A group [or blanket] accident and health insurance policy may be issued to:</p> <p>(a) a group:</p>	Codifying existing practice.

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(i) to which a group life insurance policy may be issued under Sections 31A-22-502, 31A-22-503, 31A-22-504, 31A-22-506, 31A-22-507, and 31A-22-509; and

(ii) that is formed ~~[for a reason other than the purchase of insurance]~~ and maintained in good faith for a purpose other than obtaining insurance;

(b) an association group that:

(i) has been actively in existence for at least five years;

(ii) has a constitution and bylaws;

(iii) is formed and maintained in good faith for purposes other than obtaining insurance;

(iv) does not condition membership in the association group on any health status-related factor relating to an individual, including an employee of an employer or a dependent of an employee;

(v) makes accident and health insurance coverage offered through the association group available to all members regardless of any health status-related factor relating to the members or individuals eligible for coverage through a member; ~~and~~

(vi) does not make accident and health insurance coverage offered through the association group available other than in connection with a member of the association group; ~~[or]~~ and

(vii) is actuarially sound; or

(c) a group specifically authorized by the commissioner under Section 31A-22-509, upon a finding that:

(i) authorization is not contrary to the public interest;

(ii) the ~~[proposed]~~ group is actuarially sound;

(iii) formation of the proposed group may result in economies of scale in acquisition, administrative, marketing, and brokerage costs;

(iv) the insurance policy, insurance certificate, or other indicia of coverage that will be offered to the proposed group is substantially equivalent to insurance policies that are otherwise available to similar groups;

(v) the group would not present hazards of adverse selection; ~~and~~

(vi) the premiums for the insurance policy and any contributions by or on behalf of the insured persons are reasonable in relation to the benefits provided[-];

(vii) the group is formed and maintained in good faith for a purpose other than obtaining insurance.

(3) A blanket accident and health insurance policy;

(a) covers a defined class of persons;

(b) may not be offered or underwritten on an individual basis;

(c) shall cover only a group that is:

(i) actuarially sound; and

(ii) formed and maintained in good faith for a purpose other than obtaining insurance; and

(d) may ~~[also]~~ be issued only to:

~~[(a)]~~ (i) a common carrier or an operator, owner, or lessee of a means of transportation, as policyholder, covering persons who may become passengers as defined by reference to [their] the person's travel status;

~~[(b)]~~ (ii) an employer, as policyholder, covering any group of employees, dependents, or guests, as defined by reference to specified hazards incident to any activities of the policyholder;

~~[(c)]~~ (iii) an institution of learning, including a school district, a school jurisdictional ~~[units]~~ unit, or the head, principal, or governing board of ~~[any of those units]~~ a school jurisdictional unit, as policyholder, covering

Changed for consistency with (1) and (2)(b) and (c).
Lines 2014-2015

Changed for consistency with (2)(c). Add requirement that the association group is actuarially sound so that persons are not harmed. **Line 2030**

Changed for consistency with (2)(b). Discretionary groups were previously required to be maintained in good faith for purpose other than obtaining insurance. Because the discretionary group is not policyholder, it would not be in the public's interest for the sole purpose of the group to obtain insurance. **Lines 2014-2044**

Existing practice and general definitions of blanket insurance require the class of persons to be covered rather than individuals. This invalid use of blanket insurance coverage is increasing especially as it is targeting individuals as a replacement for comprehensive health insurance coverage. **Lines 2045-2079**

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<p>students, teachers, or employees; [(d)] (iv) a religious, charitable, recreational, educational, or civic organization, or branch of <u>one</u> of those organizations, as policyholder, covering [any] a group of members or participants as defined by reference to specified hazards incident to the activities sponsored or supervised by the policyholder; [(e)] (v) a sports team, camp, or sponsor of [the] a sports team or camp, as policyholder, covering members, campers, employees, officials, or supervisors; [(f)] (vi) a volunteer fire department, first aid, civil defense, or other similar volunteer organization, as policyholder, covering [any] a group of members or participants as defined by reference to specified hazards incident to activities sponsored, supervised, or participated in by the policyholder; [(g)] (vii) a newspaper or other publisher, as policyholder, covering its carriers; [(h)] (viii) an association, including a labor union, [which] <u>that</u> has a constitution and bylaws and [which has been] <u>that is</u> organized in good faith for purposes other than that of obtaining insurance, as policyholder, covering [any] a group of members or participants as defined by reference to specified hazards incident to the activities or operations sponsored or supervised by the policyholder; <u>and</u> [(i)] a health insurance purchasing association, as defined in Section 31A-34-103, organized and controlled solely by participating employers; and [(j)] (ix) any other class of risks that, in the judgment of the commissioner, may be properly eligible for blanket accident and health insurance. (4) The judgment of the commissioner may be exercised on the basis of: (a) individual risks; (b) a class of risks; or (c) both Subsections (4)(a) and (b).</p>	<p>Health purchasing associations as a source to provide coverage to an employer, rather than a group itself. A group that is part of a health purchasing association may qualify for a blanket policy if the other criteria are met. Lines 2080-2081</p>
31A-22-716. Required provision for notice of termination.	Technical change. Line 2096
31A-22-721. A health benefit plan for a plan sponsor -- Discontinuance and nonrenewal.	Technical change. Lines 2220-2221
31A-22-723. Group and blanket conversion coverage.	
<p>(4) (a) The [employer] <u>insurer shall</u> An accident and health insurance policy offered on a group basis shall require the policyholder to provide written notification of the right to an individual conversion policy within 30 days of <u>receipt of</u> the insured's termination of coverage to: (i) the terminated insured; (ii) the ex-spouse; or (iii) in the case of the death of the insured: (A) the surviving spouse; and (B) the guardian of any dependents, if different from a surviving spouse. (b) The notification required by Subsection (4)(a) shall: (i) be sent by first class mail; (ii) contain the name, address, and telephone number of the insurer that will provide the conversion coverage; and (iii) be sent to the insured's last-known address as shown on the records of the employer of: (A) the insured;</p>	<p>Codifying existing practice. Clarifies responsibilities for notification to the insured. It makes the group insurer responsible for providing notice to the affected person. Lines 2257-2259</p>

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(B) the ex-spouse; and
 (C) if the policy terminates by reason of the death of the insured to:
 (I) the surviving spouse; and
 (II) the guardian of any dependents, if different from a surviving spouse.
 (5) (a) An insurer is not required to issue a converted policy ~~[which]~~ that provides benefits in excess of those provided under the group policy from which conversion is made.
 (b) Except as provided in Subsection (5)(c), if the conversion is made from a health benefit plan, the employee or member shall be offered ~~[- (i) at least the basic benefit plan as provided in Section 31A-22-613.5 through December 31, 2009; and (ii) beginning January 1, 2010, only]~~ the alternative coverage as provided in Subsection 31A-22-724(1)(a).
 (c) If the benefit levels required under Subsection (5)(b) exceed the benefit levels provided under the group policy, the conversion policy may offer benefits ~~[which]~~ that are substantially similar to those provided under the group policy.
 (6) Written application for ~~[the]~~ a converted policy shall be made and the first premium paid to the insurer no later than ~~[60]~~ 30 days ~~[after termination of the group accident and health insurance]~~ the date of notice under Subsection 31A-22-724(4)(a).
 (7) ~~[The]~~ A converted policy shall be issued without evidence of insurability.
 (8) (a) The initial premium for the converted policy for the first 12 months and subsequent renewal premiums shall be determined in accordance with premium rates applicable to age, class of risk of the person, and the type and amount of insurance provided.
 (b) The initial premium for the first 12 months may not be raised based on pregnancy of a covered insured.
 (c) The premium for converted policies shall be payable monthly or quarterly as required by the insurer for the policy form and plan selected, unless another mode or premium payment is mutually agreed upon.
 (9) ~~[The]~~ A converted policy becomes effective at the time the insurance under the group policy terminates.
 (10) (a) A newly issued converted policy covers the employee or the member and must also cover ~~[all]~~ dependents covered by the group policy at the date of termination of the group coverage.
 (b) The only dependents that may be added after the policy has been issued are children and dependents as required by Section 31A-22-610 and Subsections 31A-22-610.5(6) and (7).
 (c) At the option of the insurer, a separate converted policy may be issued to cover ~~[any]~~ a dependent.
 (11) (a) To the extent ~~[the]~~ a group policy provided maternity benefits, ~~[the]~~ a conversion policy shall provide maternity benefits equal to the lesser of the maternity benefits of the group policy or the conversion policy until termination of a pregnancy that exists on the date of conversion if one of the following is pregnant on the date of the conversion:
 (i) the insured;
 (ii) a spouse of the insured; or
 (iii) a dependent of the insured.
 (b) ~~[The requirements of this]~~ This Subsection (11) ~~[do]~~ does not apply to a pregnancy that occurs after the date of conversion.
 (12) Except as provided in this Subsection (12), a converted policy is renewable with respect to ~~[all individuals or dependents]~~ an individual or dependent at the option of the insured. An insured may be terminated from a

Lines 2280-2281

Lines 2286-2288

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<p>converted policy for the following reasons:</p> <ul style="list-style-type: none"> (a) a dependent is no longer eligible under the <u>converted</u> policy; (b) for a network plan, if the individual no longer lives, resides, or works in: <ul style="list-style-type: none"> (i) the insured's service area; or (ii) the area for which the covered carrier is authorized to do business; (c) the individual fails to pay premiums or contributions in accordance with the terms of the converted policy, including any timeliness requirements; (d) the individual performs an act or practice that constitutes fraud in connection with the coverage; (e) the individual makes an intentional misrepresentation of material fact under the terms of the coverage; or (f) coverage is terminated uniformly without regard to any health status-related factor relating to any covered individual. <p>(13) Conditions pertaining to health may not be used as a basis for classification under this section.</p> <p>(14) An insurer is only required to offer a conversion policy that complies with Subsection 31A-22-724(1)(b) and, notwithstanding Sections 31A-8-402.5 and 31A-30-107.1, may discontinue any other conversion policy if:</p> <ul style="list-style-type: none"> (a) the discontinued conversion policy is discontinued uniformly without regard to [any] a health related factor; (b) [any affected] <u>an affected</u> individual is provided with 90 days' advanced written notice of the discontinuation of the existing conversion policy; (c) the [policy holder] <u>policyholder</u> is offered the insurer's conversion policy that complies with Subsection 31A-22-724(1)(b); and (d) the [policy holder] <u>policyholder</u> is not re-rated for purposes of premium calculation. <p><u>(15) This section does not apply to a blanket accident and health policy issued under Section 31A-22-701.</u></p>	<p>Because blanket policies cover a class of business, rather than a specified individual, it is illogical to have a conversion policy issued to a person previously covered by a blanket policy. Lines 2337-2343</p>
<p>31A-23a-102. Definitions.</p>	<p>Technical change. Lines 2460, 2463</p>
<p>31A-23a 106. License types</p>	
<p>(2) (a) A producer license type includes the following lines of authority:</p> <ul style="list-style-type: none"> (i) life insurance, including a nonvariable contract; (ii) variable contracts, including variable life and annuity, if the producer has the life insurance line of authority; (iii) accident and health insurance, including a contract issued to a policyholder under Chapter 7, Nonprofit Health Service Insurance Corporations, or Chapter 8, Health Maintenance Organizations and Limited Health Plans; (iv) property insurance; (v) casualty insurance, including a surety or other bond; (vi) title insurance under one or more of the following categories: <ul style="list-style-type: none"> (A) search, including authority to act as a title marketing representative; (B) escrow, including authority to act as a title marketing representative; and (C) title marketing representative only; (vii) personal lines insurance; and (viii) surplus lines, if the producer has the property or casualty or both lines of authority. <p>(b) A limited line producer license type includes the following limited lines of authority:</p>	<p>Codifying existing practice. This creates a new limited line of authority to be consistent with the Guaranteed Asset Protection Waiver Act that was implemented in last year's legislation, and which limited license is currently available in practice.</p>

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<p>(i) limited line credit insurance; (ii) travel insurance; (iii) motor club insurance; (iv) car rental related insurance; (v) legal expense insurance; (vi) crop insurance; (vii) self-service storage insurance; and (viii) bail bond producer[-]; and (ix) <u>guaranteed asset protection waiver.</u></p>	<p>Line 2500</p>
<p>(g) A holder of licenses person who holds a license under Subsections <u>Subsection</u> (2)(a), (d), (e), and or (f) has all <u>the</u> qualifications necessary to act as a holder of a license under Subsections (2)(b) and (c), <u>except that the person may not act under Subsection (2)(b)(viii) or (ix).</u></p>	<p>Lines 2542-2545</p>
<p>(4) The variable contracts, including variable life and annuity line of authority requires: (a) licensure as a registered agent or broker by the National Association of Securities Dealers <u>Financial Industry Regulatory Authority</u>; and</p>	<p>Technical change. National Association of Securities Dealers changed their name to Financial Industry Regulatory Authority. Line 2556</p>
<p>31A-23a-111. Revocation, suspension, surrender, lapsing, limiting, or otherwise terminating a license - Rulemaking for renewal or reinstatement.</p>	<p>Technical change. Lines 2151, 2240</p>
<p>31A-23a-202. Continuing education requirements.</p>	
<p>(2) (a) The commissioner may not state a continuing education requirement in terms of formal education. (b) The commissioner may state a continuing education requirement in terms of classroom hours, or their equivalent, <u>hours</u> of insurance-related instruction received. (c) Insurance-related formal education may be a substitute, in whole or in part, for classroom hours, or their equivalent, <u>the hours</u> required under Subsection (2)(b). (3) (a) The commissioner shall impose continuing education requirements in accordance with a two-year licensing period in which the licensee meets the requirements of this Subsection (3). (b) (i) Except as provided in this section, the continuing education requirements shall require: (A) that a licensee complete 24 credit hours of continuing education for every two-year licensing period; (B) that 3 of the 24 credit hours described in Subsection (3)(b)(i)(A) be ethics courses; and (C) that the licensee complete at least half of the required hours through classroom hours of insurance-related instruction. (ii) The hours not completed through classroom hours <u>An hour of continuing education</u> in accordance with Subsection (3)(b)(i)(C) may be obtained through: (A) <u>classroom attendance</u>; (A) (B) home study; (B) (C) <u>watching a</u> video recording; (C) (D) experience credit; or (D) (E) another method provided by rule.</p>	<p>Policy change. This change was made to close a loophole so that a licensee cannot be exempt from CE hours if the licensee was first licensed prior to April 1, 1978, but since then has allowed the license to lapse for more than a short duration. A license that lapses for more than 1 year is not eligible for reinstatement of the license. This change would also ensure that such a license be not eligible for a CE exemption. Lines 2721-2739</p>

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(iii) (A) Notwithstanding Subsections (3)(b)(i)(A) and (B), a title insurance producer is required to complete 12 credit hours of continuing education for every two-year licensing period, with 3 of the credit hours being ethics courses unless the title insurance producer is licensed in this state as a title insurance producer for 20 or more consecutive years.

(B) If a title insurance producer is licensed in this state as a title insurance producer for 20 or more consecutive years, the title insurance producer is required to complete 6 credit hours of continuing education for every two-year licensing period, with 3 of the credit hours being ethics courses.

(C) Notwithstanding Subsection (3)(b)(iii)(A) or (B), a title insurance producer is considered to have met the continuing education requirements imposed under Subsection (3)(b)(iii)(A) or (B) if the title insurance producer:

(I) is an active member in good standing with the Utah State Bar;

(II) is in compliance with the continuing education requirements of the Utah State Bar; and

(III) if requested by the department, provides the department evidence that the title insurance producer complied with the continuing education requirements of the Utah State Bar.

(c) A licensee may obtain continuing education hours at any time during the two-year licensing period.

(d) (i) A licensee is exempt from continuing education requirements under this section if:

(A) the licensee was first licensed before April 1, 1978;

(B) the license does not have a continuous lapse for a period of more than one year, except for a license for which the licensee has had an exemption approved before May 11, 2011;

~~[(B)]~~ (C) the licensee requests an exemption from the department; and

~~[(C)]~~ (D) the department approves the exemption.

(ii) If the department approves the exemption under Subsection (3)(d)(i), the licensee is not required to apply again for the exemption.

Line 2763-2767

31A-23a-203. Training period requirements.

(3) (a) A resident producer with an accident and health line of authority may only sell long-term care insurance if the producer:

(i) initially completes a minimum of three hours of long-term care training before selling long-term care coverage; and

(ii) after completing the training required by Subsection 3)(a)(i), completes a minimum of three hours of long-term care training during each subsequent two year licensing period.

(b) A course taken to satisfy a long-term care training requirement may be used toward satisfying a producer continuing education requirement.

(c) Long-term care training is not a continuing education requirement to renew a producer license.

(d) An insurer that issues long-term care insurance shall demonstrate to the commissioner, upon request, that a producer who is appointed by the insurer and who sells long term care insurance coverage is in compliance with this Subsection (3).

Policy change. This change was made to implement a training period requirement for selling long-term care insurance in keeping with the NAIC Long Term Care Insurance Model Act which has a training requirement, and with training requirements found in several other states across the country, due to the complexity of the LTC product and for consumer protection purposes.
Lines 2817-2831

31A-23a-204 Special requirements for title insurance producers and agencies.

(1) (a) A person that receives a new license under this title as a title insurance agency, shall at the time of licensure be owned or managed by ~~[one or more individuals who are]~~ at least one individual who is licensed

Policy change. This is a change approved by the Title Commission to close a loophole through ensuring that

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<p>for at least three of the five years immediately [proceeding] <u>preceding</u> the date on which the title insurance agency applies for a license with both:</p> <ul style="list-style-type: none"> (i) a search line of authority; and (ii) an escrow line of authority. <p>(b) A title insurance agency subject to Subsection (1)(a) may comply with Subsection (1)(a) by having the title insurance agency owned or managed by:</p> <ul style="list-style-type: none"> (i) one or more individuals who are licensed with the search line of authority for the time period provided in Subsection (1)(a); and (ii) one or more individuals who are licensed with the escrow line of authority for the time period provided in Subsection (1)(a). <p><u>(c) A person licensed as a title insurance agency shall at all times during the term of licensure be owned or managed by at least one individual who is licensed for at least three years within the preceding five year period with both:</u></p> <ul style="list-style-type: none"> <u>(i) a search line of authority; and</u> <u>(ii) an escrow line of authority.</u> 	<p>the owner or manager of a title agency has sufficient experience not only at the time of initial application, but at all times during licensure. Allows the Department to use the CPI index if needed in calculating the title assessment. This change is needed because of the consolidation of title insurers and agencies. Lines 2838-240</p> <p>Lines 2849-2853</p>
31A-23a-406. Title insurance producer's business.	
<p>(1) A title insurance producer may do escrow involving real property transactions if all of the following exist:</p> <ul style="list-style-type: none"> (a) the title insurance producer is licensed with: <ul style="list-style-type: none"> (i) the title line of authority; and (ii) the escrow subline of authority; (b) the title insurance producer is appointed by a title insurer authorized to do business in the state; (c) <u>the title insurance producer issues</u> one or more of the following [is to be issued] as part of the transaction: <ul style="list-style-type: none"> (i) an owner's policy of title insurance; or (ii) a lender's policy of title insurance; (d) [(i) all funds] <u>money</u> deposited with the title insurance producer in connection with any escrow: <ul style="list-style-type: none"> [(A) are] <u>(i) is</u> deposited: <ul style="list-style-type: none"> [(i)] <u>(A)</u> in a federally insured financial institution; and [(ii)] <u>(B)</u> in a trust account that is separate from all other trust account [funds that are] <u>money that is</u> not related to real estate transactions; [and] [(B) are] <u>(ii) is</u> the property of the <u>one or more</u> persons entitled to [them] <u>the money</u> under the provisions of the escrow; and [(ii) are] <u>(iii) is</u> segregated escrow by escrow in the records of the title insurance producer; (e) earnings on [funds] <u>money</u> held in escrow may be paid out of the escrow account to any person in accordance with the conditions of the escrow; [and] (f) the escrow does not require the title insurance producer to hold: <ul style="list-style-type: none"> (i) construction [funds] <u>money</u>; or (ii) [funds] <u>money</u> held for exchange under Section 1031, Internal Revenue Code[-]; <u>and</u> <u>(g) if the title insurance producer with an escrow subline of authority conducts a closing, the title insurance producer is physically present with a borrower, seller, or purchaser involving real estate that is the subject of the real estate transaction.</u> 	<p>Policy change. Allows a professional expert in the room to answer any questions the purchaser may have. Prevents notary publics from overstepping their license. Lines 2905-2927</p> <p>These changes are to define what are 'good funds' and allow the finalization of a real estate transaction. There have been instances when a cashier's check or a certified check has been recalled. This may make the closing of a real estate transaction take a day or so longer and have</p>

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(5) (a) A check from the trust account described in Subsection (1)(d) may not be drawn, executed, or dated, or ~~[funds]~~ money otherwise disbursed unless the segregated escrow account from which ~~[funds are]~~ money is to be disbursed contains a sufficient credit balance consisting of collected ~~[or]~~ and cleared ~~[funds]~~ money at the time the check is drawn, executed, or dated, or ~~[funds are]~~ money is otherwise disbursed.

(b) As used in this Subsection (5), ~~[funds are]~~ money is considered to be "collected ~~[or]~~ and cleared," and may be disbursed as follows:

(i) cash may be disbursed on the same day the cash is deposited;

(ii) a wire transfer may be disbursed on the same day the wire transfer is deposited; and

~~(iii) the following may be disbursed on the day following the date of deposit:~~

~~(A) a cashier's check;~~

~~(B) a certified check;~~

~~(C) a teller's check;~~

~~(D) a U.S. Postal Service money order; and~~

~~(E) a check drawn on a Federal Reserve Bank or Federal Home Loan Bank; and~~

~~(iv) any other check or deposit may be disbursed:~~

~~(A) within the time limits provided under the Expedited Funds Availability Act, 12 U.S.C. Section 4001 et seq., as amended, and related regulations of the Federal Reserve System; or~~

~~(B) upon written notification from the financial institution to which the funds have been deposited, that final settlement has occurred on the deposited item.~~

~~(c) Subject to Subsections (5)(a) and (b), any material change to a settlement statement made after the final closing documents are executed must be authorized or acknowledged by date and signature on each page of the settlement statement by the one or more persons affected by the change before disbursement of funds.~~

(iii) the proceeds of one or more of the following financial instruments may be disbursed on the same day the financial instruments are deposited if received from a single party to the real estate transaction and if the aggregate of the financial instruments for the real estate transaction is less than \$10,000:

(A) a cashier's check, certified check, or official check that is drawn on an existing account at a federally insured financial institution;

(B) a check drawn on the trust account of a principal broker or associate broker licensed under Title 61, Chapter 2f, Real Estate Licensing and Practices Act, if the title producer has reasonable and prudent grounds to believe sufficient money will be available from the trust account on which the check is drawn at the time of disbursement of proceeds from the title producer's escrow account;

(C) a personal check not to exceed \$500 per closing;

(D) a check drawn on the escrow account of another title producer, if the title producer in the escrow transaction has reasonable and prudent grounds to believe that sufficient money will be available for withdrawal from the account upon which the check is drawn at the time of disbursement of money from the escrow account of the title producer in the escrow transaction; or

(E) a check issued by a farm credit service authorized under the Farm Credit Act of 1971, 12 U.S.C. Sec. 2001 et seq., as amended.

real monies deposited, but prevents the tile company from not having the proper amount of funds available at closing for the particular transaction. **Lines 2928-3000**

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<p><u>(c) Money received from a financial instrument described in Subsection (5)(b)(iii)(B) or (C) may be disbursed:</u> <u>(i) within the time limits provided under the Expedited Funds Availability Act, 12 U.S.C. Sec. 4001 et seq., as amended, and related regulations of the Federal Reserve System; or</u> <u>(ii) upon notification from the financial institution to which the money has been deposited that final settlement has occurred on the deposited financial instrument.</u> <u>(6) The A title insurance producer shall maintain records of all receipts and disbursements of escrow funds a record of a receipt or disbursement of escrow money.</u> <u>(8) If a title insurance producer conducts a search for real estate located in the state, the title insurance producer shall conduct a minimum mandatory search, as defined by rule made by the Title and Escrow Commission, subject to Section 31A-2-404.</u></p>	<p>This requires all entities doing search to follow a ‘minimum’ search rather than a ‘short search’ that only goes back to the last deed of record. Further protects the buyer on any possible liens on the purchased property. Lines 3005-3007</p>
<p>31A-23a-408. Representations of agency.</p>	<p>Technical change. Lines 3010-3012</p>
<p>31A-23a-412 . Place of business and residence address – Records.</p>	
<p>(1) (a) [All licensees] A licensee under this chapter shall register <u>and maintain</u> with the commissioner: <u>(i) the address and telephone numbers of their the licensee's principal place of business[.]; and</u> <u>(ii) a valid business email address at which the commissioner may contact the licensee.</u> (b) If the a licensee is an individual, in addition to complying with Subsection (1)(a) the individual shall [provide to] <u>register and maintain with</u> the commissioner the individual's residence address and telephone number. (c) A licensee shall notify the commissioner within 30 days of [any] a change of <u>any of the following required to be registered with the commissioner under this section:</u> <u>(i) an address [or];</u> <u>(ii) a telephone number[.]; or</u> <u>(iii) a business email address.</u></p>	<p>Codifying existing practice. This change places in code the requirement for licensees to register and maintain a business email address on record with the department. This codifies an existing practice that is currently required by UAC Rule R590-258, Email Address Requirement rule. Lines 3015-3027</p>
<p>31A-23a-415. Assessment on title insurance agencies or title insurers -- Account created.</p>	
<p>(2) (a) The commissioner may assess each title insurer and each title insurance agency an annual assessment: <u>(i) determined by the Title and Escrow Commission:</u> <u>(A) after consultation with the commissioner; and</u> <u>(B) in accordance with this Subsection (2); and</u> <u>(ii) to be used for the purposes described in Subsection (3).</u> (b) A title insurance agency shall be assessed up to: <u>(i) [\$200] <u>\$250</u> for the first office in each county in which the title insurance agency maintains an office; and</u> <u>(ii) [\$100] <u>\$250</u> for each additional office the title insurance agency maintains in the county described in Subsection (2)(b)(i).</u> (c) A title insurer shall be assessed up to: <u>(i) [\$200] <u>\$250</u> for the first office in each county in which the title insurer maintains an office;</u> <u>(ii) [\$100] <u>\$150</u> for each additional office the title insurer maintains in the county described in Subsection</u></p>	<p>Policy change: In lieu of having the fees indexed to a CPI index in the statute, the fee amount in the statute is changed to update the fee to provide sufficient revenue for the position funded from the title assessment fees.</p> <p>Lines 3098</p> <p>Line 3100</p> <p>Line 3103</p> <p>Line 3105</p>

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<p>(2)(c)(i); and (iii) an amount calculated by: (A) aggregating the assessments imposed on: (I) title insurance agencies under Subsection (2)(b); and (II) title insurers under Subsections (2)(c)(i) and (2)(c)(ii); (B) subtracting the amount determined under Subsection (2)(c)(iii)(A) from the total costs and expenses determined under Subsection (2)(d); and (C) multiplying: (I) the amount calculated under Subsection (2)(c)(iii)(B); and (II) the percentage of total premiums for title insurance on Utah risk that are premiums of the title insurer. (d) Notwithstanding Section 31A-3-103 and subject to Section 31A-2-404, the Title and Escrow Commission by rule shall establish the amount of costs and expenses described under Subsection (3) that will be covered by the assessment, except the costs or expenses to be covered by the assessment may not exceed [\$75,000] <u>\$80,000</u> annually.</p>	<p style="text-align: right;">Line 3120</p>
<p>31A-25-208. Revocation, suspension, surrender, lapsing, limiting, or otherwise terminating a license -- Rulemaking for renewal and reinstatement.</p>	<p>Technical change. Lines 3156, 3226</p>
<p>31Aa-26-206 Continuing education requirements.</p>	
<p>(2) (a) The commissioner shall impose continuing education requirements in accordance with a two-year licensing period in which the licensee meets the requirements of this Subsection (2). (b) (i) Except as otherwise provided in [Subsection (2)(b)(iii)] <u>this section</u>, the continuing education requirements shall require: (A) that a licensee complete 24 credit hours of continuing education for every two-year licensing period; (B) that three <u>3</u> of the 24 credit hours described in Subsection (2)(b)(i)(A) be ethics courses; and (C) that the licensee complete at least half of the required hours through classroom hours of insurance-related instruction. [(ii) The hours not completed through classroom hours] <u>(ii) A continuing education hour completed</u> in accordance with Subsection (2)(b)(i)[(C)] may be obtained through: <u>(A) classroom attendance;</u> [(A)] <u>(B) home study;</u> [(B)] <u>(C) watching a</u> video recording; [(C)] <u>(D) experience credit; or</u> [(D)] <u>(E) other methods provided by rule.</u> (iii) Notwithstanding Subsections (2)(b)(i)(A) and (B), a title insurance adjuster is required to complete 12</p>	<p>Codifying existing practice. Changes were made to be consistent with the changes made to Chapter 31A-23a-202 during the 2010 legislative session. These changes were inadvertently left out of 31A-26-206 at that time, but in practice have been applied to insurance adjusters as well as producers since that time. Lines 3282-3291</p> <p>Policy change. Closes a loophole so that a licensee cannot be exempt from CE hours if the licensee was first licensed prior to April 1, 1978, but since then has allowed the license to lapse for more than a short duration. A license that lapses for more than 1 year is not eligible for reinstatement of the license. This change would also ensure that such a license be not eligible for a CE exemption. Lines 3292-3302</p>

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credit hours of continuing education for every two-year licensing period, with ~~[three]~~ 3 of the credit hours being ethics courses.

(c) A licensee may obtain continuing education hours at any time during the two-year licensing period.

(d) (i) ~~[Beginning May 3, 1999, a]~~ A licensee is exempt from the continuing education requirements of this section if:

(A) the licensee was first licensed before April 1, ~~[1970]~~ 1978;

(B) the license does not have a continuous lapse for a period of more than one year, except for a license for which the licensee has had an exemption approved before May 11, 2011;

~~[(B)]~~ (C) the licensee requests an exemption from the department; and

~~[(C)]~~ (D) the department approves the exemption.

(ii) If the department approves the exemption under Subsection (2)(d)(i), the licensee is not required to apply again for the exemption.

(e) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commissioner shall by rule:

(i) publish a list of insurance professional designations whose continuing education requirements can be used to meet the requirements for continuing education under Subsection (2)(b); and

(ii) authorize a professional adjuster ~~[associations]~~ association to:

(A) offer a qualified ~~[programs for all classes of licenses]~~ program for a classification of license on a geographically accessible basis; and

(B) collect a reasonable ~~[fees]~~ fee for funding and administration of ~~[the continuing education programs]~~ a qualified program, subject to the review and approval of the commissioner.

(f) (i) ~~[The fees]~~ A fee permitted under Subsection (2)(e)(ii)(B) that ~~[are]~~ is charged to fund and administer a qualified program shall reasonably relate to the ~~[costs]~~ cost of administering the qualified program.

(ii) Nothing in this section shall prohibit a provider of a continuing education ~~[programs or courses]~~ program or course from charging ~~[fees]~~ a fee for attendance at ~~[courses]~~ a course offered for continuing education credit.

(iii) ~~[The fees]~~ A fee permitted under Subsection (2)(e)(ii)(B) that ~~[are]~~ is charged for attendance at an association program may be less for an association member, ~~[based]~~ on the basis of the member's affiliation expense, but shall preserve the right of a nonmember to attend without affiliation.

(3) The continuing education requirements of this section apply only to ~~[licensees who are natural persons]~~ a licensee who is an individual.

(4) The continuing education requirements of this section do not apply to ~~[members]~~ a member of the Utah State Bar.

(5) The commissioner shall designate ~~[courses that satisfy]~~ a course that satisfies the requirements of this section, including ~~[those]~~ a course presented by ~~[insurers]~~ an insurer.

Lines 3303-3310

31A-26-208. Nonresident jurisdictional agreement.

Technical change. Line 3378

31A-26-213. Revocation, suspension, surrender, lapsing, limiting, or otherwise terminating a license -- Rulemaking for renewal or reinstatement.

Technical change. Lines 3403, 3487

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31A-26-306. Place of business -- Records.	
<p>(1) (a) An insurance adjuster licensed under this chapter shall [-(i)] register <u>and maintain</u> with the commissioner:</p> <p>(i) the address and telephone number of the licensee's principal place of business; and</p> <p>(ii) a valid business email address at which the commissioner may contact the licensee; and</p> <p>(iii) (iii) if the licensee is an individual, provide the licensee's residence address and telephone number.</p> <p>(b) A licensee shall notify the commissioner within 30 days of any change of <u>a change in one of the following required to be registered under Subsection (1)(a):</u></p> <p>(i) <u>an</u> address or;</p> <p>(ii) <u>a</u> telephone number[-]; or</p> <p>(iii) <u>a business email address.</u></p> <p>(2) Except as provided under Subsection (3), every <u>an</u> insurance adjuster shall keep at the address registered under Subsection (1), a record of all <u>the</u> transactions consummated under the insurance adjuster's license, including a record of:</p> <p>(a) each investigation or adjustment undertaken or consummated; and</p> <p>(b) any <u>a</u> fee, commission, or other compensation received or to be received by the adjuster on account of the investigation or adjustment.</p> <p>(3) Subsection (2) is satisfied if the records specified in [that subsection] <u>Subsection (2)</u> can be obtained immediately from a central storage place elsewhere by on-line computer terminals located at the registered address.</p> <p>(4) (a) [The records] <u>A record</u> maintained as to a transaction under Subsection (2) shall be kept available for the inspection of the commissioner during all business hours for a period of time after the date of the transaction specified by the commissioner by rule, but in no case for less than the current calendar year plus three years.</p> <p>(b) Discarding records <u>a record</u> after the then applicable record retention period is passed does not place the licensee in violation of a later-adopted longer record retention period.</p>	<p>Codifying existing practice. This change places in code the requirement for licensees to register and maintain a business email address on record with the department. This codifies an existing practice that is currently required by UAC Rule R590-258, Email Address Requirement rule.</p> <p>Lines 3537-3564</p>
31A-28-107. Board of directors.	
<p>(2) (a) A member of the board of directors may be reimbursed from the assets of the association for expenses incurred by the member as a member of the board of directors.</p> <p>(b) <u>A public representative appointed under Subsection (1)(a)(ii) may not receive compensation or benefits for the public representative's service, but in addition to reimbursement under Subsection (2)(a), a public representative may receive per diem and travel expenses established by the board with the approval of the commissioner.</u></p> <p>(b) <u>(c)</u> Except as provided in [Subsection (2)(a)] <u>Subsections (2)(a) and (b)</u>, a member of the board of directors may not be compensated by the association for the member's services.</p>	<p>Policy change. The change is needed to provide the Guaranty Association the ability to recruit public board members and provide a minimal per diem for participating in the board meetings. Lines 3595-3599</p>
31A-29-103. Definitions.	Technical change. Lines 3650-3654, 3663
31A-29-106. Powers of board.	Technical change. Line 3733
31A-30-103. Definitions.	

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<p>(1) "Actuarial certification" means a written statement by a member of the American Academy of Actuaries or other individual approved by the commissioner that a covered carrier is in compliance with [Section] <u>Sections 31A-30-106 and 31A-30-106.1</u>, based upon the examination of the covered carrier, including review of the appropriate records and of the actuarial assumptions and methods used by the covered carrier in establishing premium rates for applicable health benefit plans.</p> <p>(25) "Uninsurable" means an individual who:</p> <p>(a) is eligible for the Comprehensive Health Insurance Pool coverage under the underwriting criteria established in Subsection 31A-29-111(5); or</p> <p>(b) (i) is issued a certificate for coverage under Subsection 31A-30-108(3); and</p> <p>(ii) has a condition of health that does not meet consistently applied underwriting criteria as established by the commissioner in accordance with Subsections 31A-30-106(1)(f) and (g)<u>(g) and (h)</u> for which coverage the applicant is applying.</p>	<p>Codifying existing practice. Correcting references due to changes in 2010 legislature, HB294 and HB459. Corrects the requirement for actuarial certifications to be submitted for both the individual and small employer carriers. Line 3741</p> <p>Corrects the reference due to changes made in 2010 legislature. Lines 3835</p>
<p>31A-30-105. Establishment of classes of business.</p>	<p>Technical change. Lines 3844-3856</p>
<p>31A-30-106 (Effective 01/01/11). Individual premiums -- Rating restrictions -- Disclosure.</p>	
<p>(1) Premium rates for health benefit plans for individuals under this chapter are subject to [the provisions of] this section.</p> <p>(a) The index rate for a rating period for any class of business may not exceed the index rate for any other class of business by more than 20%.</p> <p>(b) (i) For a class of business, the premium rates charged during a rating period to covered insureds with similar case characteristics for the same or similar coverage, or the rates that could be charged to the individual under the rating system for that class of business, may not vary from the index rate by more than 30% of the index rate [provided in Section 31A-30-106.1] <u>except as provided under Subsection (1)(b)(ii).</u></p>	<p>Codifying existing practice. Correcting references due to changes in 2010 legislature, HB294 and HB459. Line 3884</p>
<p>31A-30-106.1. Small employer premiums -- Rating restrictions -- Disclosure.</p>	
<p>(3) The percentage increase in the premium rate charged to a covered insured for a new rating period, adjusted pro rata for rating periods less than a year, may not exceed the sum of the following:</p> <p>(a) the percentage change in the new business premium rate measured from the first day of the prior rating period to the first day of the new rating period;</p> <p>(b) any adjustment, not to exceed 15% annually <u>and adjusted pro rata</u> for rating periods of less than one year, due to the claim experience, health status, or duration of coverage of the covered individuals as determined from the small employer carrier's rate manual for the class of business, except when catastrophic mental health coverage is selected as provided in Subsection 31A-22-625(2)(d); and</p> <p>(c) any adjustment due to change in coverage or change in the case characteristics of the covered insured as determined for the class of business from the small employer carrier's rate manual.</p> <p>(4) (a) Adjustments in rates for claims experience, health status, and duration from issue may not be charged to individual employees or dependents.</p> <p>(b) Rating adjustments and factors, including case characteristics, shall be applied uniformly and consistently to the rates charged for all employees and dependents of the small employer.</p>	<p>Codifying existing practice. Correcting references due to changes in 2010 legislature, HB294 and HB459.</p> <p>Line 3991</p>

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(c) Rating factors shall produce premiums for identical groups that:

- (i) differ only by the amounts attributable to plan design; and
- (ii) do not reflect differences due to the nature of the groups assumed to select particular health benefit products.

(d) A small employer carrier shall treat all health benefit plans issued or renewed in the same calendar month as having the same rating period.

(5) A health benefit plan that uses a restricted network provision may not be considered similar coverage to a health benefit plan that does not use a restricted network provision, provided that use of the restricted network provision results in substantial difference in claims costs.

(6) The small employer carrier may not use case characteristics other than the following:

- (a) age of the employee, as determined at the beginning of the plan year, limited to:
 - (i) the following age bands:
 - (A) less than 20;
 - (B) 20-24;
 - (C) 25-29;
 - (D) 30-34;
 - (E) 35-39;
 - (F) 40-44;
 - (G) 45-49;
 - (H) 50-54;
 - (I) 55-59;
 - (J) 60-64; and
 - (K) 65 and above; and
 - (ii) a standard slope ratio range for each age band, applied to each family composition tier rating structure under Subsection (6)(c):
 - (A) as developed by the [department] commissioner by administrative rule;
 - (B) not to exceed an overall ratio of 5:1; and
 - (C) the age slope ratios for each age band may not overlap;
- (b) geographic area; and
- (c) family composition, limited to:
 - (i) an overall ratio of 5:1 or less; and
 - (ii) a four tier rating structure that includes:
 - (A) employee only;
 - (B) employee plus spouse;
 - (C) employee plus a dependent or dependents; and
 - (D) a family, consisting of an employee plus spouse, and a dependent or dependents.

Clarifies rating is based on employee age. **Line 4021**

31A-30-106.5. Conversion policy -- Premiums -- Rating restrictions.

(1) ~~[All provisions of Section 31A-30-106.1 apply]~~ Section 31A-30-106 applies to conversion policies.

(2) Conversion policy premium rates may not exceed by more than 35% the index rate for ~~[small employers]~~ individuals with similar case characteristics for any class of business in which the policy form has been

Codifying existing practice.

Conversion policies are individual policies, this corrects reference to apply rating requirements for individual

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<p>[approved] <u>filed</u>.</p> <p>(3) An insurer may not consider pregnancy of a covered insured in determining its conversion policy premium rates.</p>	<p>policies. Lines 4093-4097</p> <p>Policy forms are filed, not approved. Line 4097</p>
<p>31A-30-108. Eligibility for small employer and individual market.</p>	<p>Technical change. Lines 4104-4107, 4143-4144, 4180</p>
<p>31A-30-110. Individual enrollment cap.</p>	<p>Technical change. Line 4228</p>
<p>31A-30-112. Employee participation levels.</p>	<p>Technical change. Line 4245</p>
<p>31A-31-108. Assessment of insurers.</p>	
<p>(3) [All money] <u>Money</u> received by the state under this section shall be deposited [in the General Fund as a dedicated credit of the department for the purpose of providing funds to pay for any costs and expenses incurred by the department in the administration, investigation, and enforcement of this chapter, Section 34A-2-110, and Section 76-6-521.] <u>into the Insurance Fraud Investigation Restricted Account created in Subsection (4).</u></p> <p>(4) (a) <u>There is created in the General Fund a restricted account known as the "Insurance Fraud Investigation Restricted Account."</u></p> <p>(b) <u>The Insurance Fraud Investigation Restricted Account shall consist of the money received by the commissioner under this section and Section 31A-31-109.</u></p> <p>(c) <u>The commissioner shall administer the Insurance Fraud Investigation Restricted Account. Subject to appropriations by the Legislature, the commissioner shall use the money deposited into the Insurance Fraud Investigation Restricted Account to pay for a cost or expense incurred by the commissioner in the administration, investigation, and enforcement of this chapter, Section 34A-2-110, and Section 76-6-521.</u></p>	<p>Policy change. Restates existing accounting practices. The changes resolve an accounting issue that arose after the passage of changes to the Budgetary Procedures Act in 2010 Legislative Session. It converts an existing account from a dedicated credits account to a restricted account. Lines 4287-4300</p>
<p>31A-31-109. Civil penalties.</p>	
<p>(2) (a) Money paid under Subsection (1)(a)(i) shall be paid to the person damaged by the fraudulent insurance act.</p> <p>(b) Money paid under Subsection (1)(a)(ii) shall be paid to each applicable authorized agency in the following order:</p> <p>(i) to the [General Fund as a dedicated credit of the department] <u>Insurance Fraud Investigation Restricted Account created in Section 31A-31-108</u> for the costs of enforcement incurred by the [department] <u>commissioner;</u></p>	<p>Policy change. Restates existing accounting practices. The changes resolve an accounting issue that arose after the passage of changes to the Budgetary Procedures Act in 2010 Legislative Session. It converts an existing account from a dedicated credits account to a restricted account. Lines 4320-4324</p>
<p>31A-35-202. Board responsibilities.</p>	
<p>(2) <u>The board may:</u></p> <p>(5) (a) conduct investigations of allegations of unprofessional conduct on the part of persons or bail bond sureties involved in the business of bail bond surety insurance; and</p> <p>(b) provide the results of the investigations described in Subsection [(5)] (2)(a) to the commissioner with recommendations for:</p> <p>(i) action; and</p> <p>(ii) any appropriate sanctions.</p>	<p>Codifying existing practice. We are going from “shall” to “may” as the board has not in the past ever conducted an investigation, rather that they have reviewed our results of an investigation or complaint and agreed or disagreed with pour findings. Line 4355</p>
<p>31A-35-406. Renewal and reinstatement.</p>	

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(1) (a) <u>A license under this chapter expires annually on August 14. To renew its license under this chapter, on or before the last day of the month in which the license expires July 15 a bail bond surety company shall:</u>	Codifying existing practice. Correcting renewal date. Lines 4364-4366
31A-35-602. Place of business -- Records to be kept there.	
<p>(1) (a) Every A bail bond surety company shall have and maintain in this state a place of business:</p> <p>(i) accessible to the public; and</p> <p>(ii) where the bail bond surety company principally conducts transactions authorized by its bail bond surety company license.</p> <p>(b) The address of the place of business described in Subsection (1)(a) shall appear upon:</p> <p>(i) the application for a bail bond surety company license; and</p> <p>(ii) the a bail bond surety company license issued under this chapter.</p> <p><u>(c) In addition to complying with Subsection (1)(b), a bail bond surety company shall register and maintain with the commissioner the following at which the commissioner may contact the bail surety company:</u></p> <p><u>(i) a telephone number; and</u></p> <p><u>(ii) a business email address.</u></p> <p>(e) (d) A bail bond surety company shall notify the commissioner [of any change in the address required by this Subsection (1) within 20 days after the change.] <u>within 20 days of a change in the bail bond surety company's:</u></p> <p><u>(i) place of business address;</u></p> <p><u>(ii) telephone number; or</u></p> <p><u>(iii) business email address.</u></p> <p>(e) (e) This section does not prohibit a bail bond surety company from maintaining the place of business required under this section in the licensee's residence, if the residence is in Utah.</p> <p>(2) The bail bond surety company shall keep at the place of business described in Subsection (1)(a) the records required under Section 31A-35-604.</p>	Codifying existing practice. This change places in code the requirement for licensees to register and maintain a business email address on record with the department. This codifies an existing practice that is currently required by UAC Rule R590-258, Email Address Requirement rule. Similar changes were also made in Chapter 31A-26 (<i>Lines 3036-3047</i>). Any other changes made to these sections are technical corrections. Lines 4398-4409
31A-37-103. Chapter exclusivity.	Technical change. Lines 4419-4431, Lines 4438-4439
31A-37-202. Permissive areas of insurance.	Technical change. Lines 4567, 4575
31A-37-504. Examinations for branch and alien captive insurance companies.	Technical change. Lines 4587-4588 lines 4598-4604
31A-40-308. Material changes.	
<p><u>A professional employer organization shall notify the commissioner within 30 days of a change in:</u></p> <p><u>(1) ownership;</u></p> <p><u>(2) an address or telephone number; or</u></p> <p><u>(3) a contact person[-]; or</u></p> <p><u>(4) business email Address.</u></p>	Policy change. Needed because of PEO consolidation and non-responses due to address changes. Created excessive time allocation in tracking PEOs for responses to Department requests. Lines 4606-4613
59-9-105. Tax on certain insurers to pay for relative value study and other publications or services.	
<p>(1) Each An insurer [providing] <u>that provides</u> coverage for motor vehicle liability, uninsured motorist, and personal injury protection shall pay to the State Tax Commission on or before March 31 of each year, a tax of .01% on the total premiums received for these coverages during the preceding calendar year from policies covering motor vehicle risks in this state.</p>	Policy change. Restates existing accounting Practices. The changes resolve an accounting issue that arose after the passage of changes to the Budgetary Procedures Act in 2010 Legislative Session. It converts an existing

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<p>(2) The taxable premium under this section shall be reduced by [all] the premiums returned or credited to policyholders on direct business subject to tax in this state.</p> <p>(3) [All money] <u>Money</u> received by the state under this section shall be deposited [in the General Fund as a dedicated credit for the purpose of providing funds] <u>into the Relative Value Study Restricted Account created in Subsection (4).</u></p> <p>(4) (a) <u>There is created in the General Fund a restricted account known as the "Relative Value Study Restricted Account."</u></p> <p>(b) <u>The Relative Value Study Restricted Account shall consist of the money received by the insurance commissioner under:</u></p> <p>(i) <u>Section 31A-2-208; and</u></p> <p>(ii) <u>this section.</u></p> <p>(c) <u>The insurance commissioner shall administer the Relative Value Study Restricted Account. Subject to appropriations by the Legislature, the insurance commissioner shall use the money deposited into the Relative Value Study Restricted Account to pay for [any] costs and expenses incurred by the [Insurance Department] insurance commissioner:</u></p> <p>[(a)] (i) <u>in conducting, maintaining, and administering the relative value study referred to in Section 31A-22-307;</u></p> <p>[(b)] (ii) <u>to prepare, publish, and distribute publications relating to insurance and consumers of insurance as provided in Section 31A-2-208; and</u></p> <p>[(c)] (iii) <u>in providing the services of the [Insurance Department] insurance commissioner through the use of:</u></p> <p>[(+)] (A) <u>electronic commerce; and</u></p> <p>[(+)] (B) <u>other information technology.</u></p>	<p>account from a dedicated credits account to a restricted account. Lines 4623-4635</p>
63I-2-231. Repeal dates, title 31A.	
<p>(1) Section 31A-23a-415 is repealed July 1, 2011.</p> <p>(2) Title 31A, Chapter 42, Defined Contribution Risk Adjuster Act, is repealed January 1, 2013.</p>	<p>Policy change. Removal of repeal date for title assessments. Lines 4646-4647</p>
63J-1-602.2. List of nonlapsing funds and accounts -- Title 31 through Title 45.	
<p>(5) <u>Appropriations from the Insurance Fraud Investigation Restricted Account created in Section 31A-31-108.</u></p>	<p>Policy change. Restates existing accounting practices. The changes resolve an accounting issue that arose after the passage of changes to the Budgetary Procedures Act in 2010 Legislative Session. It converts an existing account from a dedicated credits account to a restricted account. Lines 4660-4661</p>
63J-1-602.3. List of nonlapsing funds and accounts -- Title 46 through Title 60.	
<p>(21) <u>Appropriations from the Relative Value Study Restricted Account created in Section 59-9-105.</u></p>	<p>Policy change. Restates existing accounting Practices. The changes resolve an accounting issue that arose after the passage of changes to the Budgetary Procedures Act in 2010 Legislative Session. It converts an existing account from a dedicated credits account to a restricted account. Lines 4712-4714</p>

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Intent language regarding lapsing of money.

Money received by the Insurance Department during fiscal year 2010-2011 are to be considered dedicated credits in closing out fiscal year 2010-2011. The unspent dedicated credits lapse to the appropriate restricted account created by the amendments made by the bill. **Lines 4717-4724**