30	(1) For purposes of this section:
31	(a) "Payment rights under workers' compensation" means the right to receive
32	compensation under this chapter or Chapter 3, Utah Occupational Disease Act, including the
33	payment of a workers' compensation claim, award, benefit, or settlement.
34	(b) (i) Subject to Subsection (1)(b)(ii), "transfer" means:
35	(A) a sale;
36	(B) an assignment;
37	(C) a pledge;
38	(D) an hypothecation; or
39	(E) other form of encumbrance or alienation for consideration.
40	(ii) "Transfer" does not include the creation or perfection of a security interest in a right
41	to receive a payment under a blanket security agreement entered into with an insured
42	depository institution, in the absence of any action to:
43	(A) redirect the payments to:
44	(I) the insured depository institution; or
45	(II) an agent or successor in interest to the insured depository institution; or
46	(B) otherwise enforce a blanket security interest against the payment rights.
47	(2) Compensation before payment [shall be]:
48	(a) is exempt from:
49	(i) all claims of creditors[,]; and [from]
50	(ii) attachment or execution[;]; and
51	(b) shall be paid only to employees or their dependents, except as provided in Sections
52	26-19-5 and 34A-2-417.
53	(3) (a) Subject to Subsection (3)(b), beginning April 30, 2007, a person may not:
54	(i) transfer payment rights under workers' compensation; or
55	(ii) accept or take any action to provide for a transfer of payment rights under workers'
56	compensation.
57	(b) A person may take an action prohibited under Subsection (3)(a) if the commission

8	approves the transfer of payment rights under workers' compensation:
59	(i) before the transfer of payment rights under workers' compensation takes effect; and
60	(ii) upon a determination by the commission that:
51	(A) the person transferring the payment rights under workers' compensation received
52	before executing an agreement to transfer those payment rights:
53	(I) adequate notice that the transaction involving the transfer of payment rights under
54	workers' compensation involves the transfer of those payment rights; and
65	(II) an explanation of the financial consequences of and alternatives to the transfer of
66	payment rights under workers' compensation in sufficient detail that the person transferring the
67	payment rights under workers' compensation made an informed decision to transfer those
58	payment rights; and
59	(B) the transfer of payment rights under workers' compensation is in the best interest of
70	the person transferring the payment rights under workers' compensation taking into account the
71	welfare and support of that person's dependents.
72	(c) The approval by the commission of the transfer of a person's payment rights under
73	workers' compensation is a full and final resolution of the person's payment rights under
74	workers' compensation that are transferred:
75	(i) if the commission approves the transfer of the payment rights under workers'
76	compensation in accordance with Subsection (3)(b); and
77	(ii) once the person no longer has a right to appeal the decision in accordance with this
78	title.
79	Section 2. Section 78-59-102 is amended to read:
30	78-59-102. Definitions.
31	For purposes of this chapter:
32	(1) "Annuity issuer" means an insurer that has issued a contract to fund periodic
33	payments under a structured settlement.
34	(2) "Dependents" include:
35	(a) a payee's spouse [and];

86	(b) a payee's minor children; and
87	(c) all other persons for whom the payee is legally obligated to provide support,
88	including alimony.
89	(3) "Discounted present value" means the present value of future payments determined
90	by discounting the payments to the present using the most recently published Applicable
91	Federal Rate for determining the present value of an annuity, as issued by the United States
92	Internal Revenue Service.
93	(4) "Gross advance amount" means the sum payable to the payee or for the payee's
94	account as consideration for a transfer of structured settlement payment rights before any
95	reductions for transfer expenses or other deductions to be made from the consideration.
96	(5) "Independent professional advice" means advice of an attorney, certified public
97	accountant, actuary, or other licensed professional adviser.
98	(6) "Interested parties" means, with respect to any structured settlement[;]:
99	(a) the payee[;];
100	(b) any beneficiary irrevocably designated under the annuity contract to receive
101	payments following the payee's death[-,];
102	(c) the annuity issuer[;];
103	(d) the structured settlement obligor[;]; and
104	(e) any other party that has continuing rights or obligations under the structured
105	settlement.
106	(7) "Net advance amount" means the gross advance amount less the aggregate amount
107	of the actual and estimated transfer expenses required to be disclosed under Subsection
108	78-59-103(5).
109	(8) "Payee" means an individual who:
110	(a) is receiving tax free payments under a structured settlement; and
111	(b) proposes to make a transfer of payment rights under the settlement.
112	(9) "Periodic payments" includes both recurring payments and scheduled future lump
113	sum payments.

114 (10) "Qualified assignment agreement" means an agreement providing for a qualified 115 assignment within the meaning of Section 130 of the United States Internal Revenue Code. 116 (11) "Responsible administrative authority" means, with respect to a structured 117 settlement, any government authority vested by law with exclusive jurisdiction over the settled 118 claim resolved by the structured settlement. 119 (12) "Settled claim" means the original tort claim [or workers' compensation claim] 120 resolved by a structured settlement. 121 (13) "Structured settlement" means an arrangement for periodic payment of damages 122 for personal injuries or sickness established by settlement or judgment in resolution of a tort 123 claim [or for periodic payments in settlement of a workers' compensation claim]. 124 (14) "Structured settlement agreement" means the agreement, judgment, stipulation, or 125 release embodying the terms of a structured settlement. 126 (15) "Structured settlement obligor" means, with respect to any structured settlement, 127 the party that has the continuing obligation to make periodic payments to the payee under a 128 structured settlement agreement or a qualified assignment agreement. 129 (16) "Structured settlement payment rights" means rights to receive periodic payments 130 under a structured settlement, whether from the structured settlement obligor or the annuity 131 issuer[, where] if: 132 (a) (i) the payee is domiciled in[-] this state; or 133 (ii) the domicile or principal place of business of the structured settlement obligor or the annuity issuer is located in this state; 134 135 (b) the structured settlement agreement [was] is approved by a court in this state; or 136 (c) the structured settlement agreement is expressly governed by the laws of this state. 137 (17) "Terms of the structured settlement" include, with respect to any structured 138 settlement, the terms of: (a) the structured settlement agreement[-,]; 139 140 (b) the annuity contract[-]; 141 (c) any qualified assignment agreement; and

142	(d) any order or other approval of any court or other government authority that
143	authorized or approved the structured settlement.
144	(18) (a) ["Transfer"] Subject to Subsection (18)(b), "transfer" means any sale,
145	assignment, pledge, hypothecation, or other alienation or encumbrance of structured settlement
146	payment rights made by a payee for consideration[; provided that the term "transfer"].
147	(b) "Transfer" does not include the creation or perfection of a security interest in
148	structured settlement payment rights under a blanket security agreement entered into with an
149	insured depository institution, in the absence of any action to:
150	(i) redirect the structured settlement payments to:
151	(A) the insured depository institution[,]; or
152	(B) an agent or successor in interest [thereof,] to the insured depository institution; or
153	(ii) otherwise [to] enforce a blanket security interest against the structured settlement
154	payment rights.
155	(19) "Transfer agreement" means the agreement providing for a transfer of structured
156	settlement payment rights.
157	(20) (a) ["Transfer] Subject to Subsection (20)(b), "transfer expenses" means all
158	expenses of a transfer that are required under the transfer agreement to be paid by the payee or
159	deducted from the gross advance amount, including[, without limitation,]:
160	(i) court filing fees[, attorneys'];
161	(ii) attorney fees[;];
162	(iii) escrow fees[- ,];
163	(iv) lien recordation fees[;];
164	(v) judgment and lien search fees[;];
165	(vi) finders' fees[;];
166	(vii) commissions[;]; and
167	(viii) other payments to a broker or other intermediary.
168	(b) "Transfer expenses" do not include preexisting obligations of the payee payable for
169	the payee's account from the proceeds of a transfer.

170	(21) "Transferee" means a party acquiring or proposing to acquire structured settlement
171	payment rights through a transfer.
172	Section 3. Section 78-59-107 is amended to read:
173	78-59-107. General provisions Construction.
174	(1) The provisions of this chapter may not be waived by any payee.
175	(2) (a) Any transfer agreement entered into on or after May 6, 2002 by a payee who
176	resides in this state shall provide that disputes under the transfer agreement, including any
177	claim that the payee has breached the agreement, shall be determined in and under the laws of
178	this state.
179	(b) A transfer agreement may not authorize the transferee or any other party to confess
180	judgment or consent to entry of judgment against the payee.
181	(3) The transfer of structured settlement payment rights may not extend to any
182	payments that are life-contingent unless, [prior to] before the date on which the payee signs the
183	transfer agreement, the transferee [has established] establishes and [has agreed] agrees to
184	maintain procedures reasonably satisfactory to the annuity issuer and the structured settlement
185	obligor for:
186	(a) periodically confirming the payee's survival; and
187	(b) giving the annuity issuer and the structured settlement obligor prompt written
188	notice in the event of the payee's death.
189	(4) A payee who proposes to make a transfer of structured settlement payment rights
190	may not incur any of the following on the basis of a failure of the transfer to satisfy the
191	requirements of this chapter:
192	(a) a penalty[, forfeit];
193	(b) a forfeiture of any application fee or other payment[;]; or [otherwise incur]
194	(c) any liability to the proposed transferee or any assignee based on any failure of the
195	transfer to satisfy the requirements of this chapter.
196	(5) (a) [Nothing contained in this] This chapter [shall] may not be construed to
197	authorize any transfer of structured settlement payment rights in contravention of any law or to

imply that any transfer under a transfer agreement entered into [prior to] before May 6, 2002 is valid or invalid.

- (b) This chapter does not apply to a transfer of payment rights under workers' compensation, as defined in Section 34A-2-422, that takes effect on or after April 30, 2007.
- (6) Compliance with [the requirements set forth in] Section 78-59-103 and fulfillment of the conditions set forth in Section 78-59-104 shall be solely the responsibility of the transferee in any transfer of structured settlement payment rights, and neither the structured settlement obligor nor the annuity issuer shall bear any responsibility for, or any liability arising from, noncompliance with the requirements or failure to fulfill the conditions.