

**INSURANCE DEPARTMENT - WORKERS'
COMPENSATION AMENDMENTS**

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ron Bigelow

Senate Sponsor: Sheldon L. Killpack

LONG TITLE

General Description:

This bill modifies the Insurance Code to impose new requirements on the Insurance Department related to workers' compensation.

Highlighted Provisions:

This bill:

- ▶ requires the department to make rules to monitor employers who can only obtain workers' compensation from the Workers' Compensation Fund because of certain underwriting standards or guidelines in the workers' compensation insurance market;

and

- ▶ requires the department to report annually to the Business and Labor Interim Committee regarding workers' compensation.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

31A-22-1011, Utah Code Annotated 1953

31A-22-1012, Utah Code Annotated 1953

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

30 Section 1. Section 31A-22-1011 is enacted to read:

31 **31A-22-1011. Workers' compensation insurance availability.**

32 (1) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
33 department shall make rules to monitor the following related to employers who can only obtain
34 workers' compensation insurance pursuant to Section 31A-22-1001 because of an underwriting
35 standard or guideline described in Subsection (2):

36 (a) the number of employers;

37 (b) the type of employers;

38 (c) the underwriting standard or guideline that causes the employer to obtain workers'
39 compensation under Section 31A-22-1001; or

40 (d) similar information to the information described in Subsections (1)(a) through (c).

41 (2) An underwriting standard or guideline described in Subsection (1) includes a
42 standard or guideline regarding:

43 (a) premium size;

44 (b) class code and risk characteristics;

45 (c) payroll and loss experience;

46 (d) another factor identified by the department; or

47 (e) a combination of the factors listed in Subsections (2)(a) through (d).

48 Section 2. Section 31A-22-1012 is enacted to read:

49 **31A-22-1012. Department report on workers' compensation.**

50 The department shall report annually to the Business and Labor Interim Committee by
51 no later than its October interim meeting on the following:

52 (1) the cost and availability of workers' compensation insurance coverage in Utah;

53 (2) the results of the monitoring provided for in Section 31A-22-1011;

54 (3) the size of the residual market as a percentage of the overall workers' compensation
55 insurance market in Utah;

56 (4) which workers' compensation insurers in the state are the top ten that held the
57 largest market shares of Utah's workers' compensation insurance market during the three

58 calendar years preceding the report; and
59 (5) any recommendations of the department to the Legislature to improve the cost and
60 availability of workers' compensation to Utah businesses.