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# WORKERS' COMPENSATION COVERAGE WAIVER

The following is a discussion draft of a possible legislative proposal. It is intended only for purposes of the Business and Labor Interim Committee's November 14, 2007 meeting. For additional information, contact the Office of Legislative Research and General Counsel.

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- 1 **31A-21-104. Insurable interest and consent -- Scope.**
- 2 (1) As used in this chapter:
- 3 (a) For purposes of this section, "exchange" means an exchange made pursuant to
- 4 Section 1035, Internal Revenue Code, as may be amended.
- 5 (b) "Insurable interest" in a person means the following, including a circumstance described in
- 6 Subsection (3):
- 7 (i) for persons closely related by blood or by law, a substantial interest engendered by love and
- 8 affection; or
- 9 (ii) in the case of other persons, a lawful and substantial interest in having the life, health, and
- 10 bodily safety of the person insured continue.
- 11 (c) "Insurable interest" in property or liability means any lawful and substantial economic
- 12 interest in the nonoccurrence of the event insured against.
- 13 (d) "Viatical settlement" is as defined in Section 31A-36-102.
- 14 (2) (a) An insurer may not knowingly provide insurance to a person who does not have or
- 15 expect to have an insurable interest in the subject of the insurance.
- 16 (b) A person may not knowingly procure, directly, by assignment, or otherwise, an interest in
- 17 the proceeds of an insurance policy unless that person has or expects to have an insurable
- 18 interest in the subject of the insurance.
- 19 (c) In the case of life insurance, the insurable interest requirements of Subsections (2)(a) and (b):
- 20 (i) are satisfied if the requirements are met:
- 21 (A) at the effective date of the insurance policy; and
- 22 (B) at the time of a later procurement, if any, of an interest in the proceeds of an insurance
- 23 policy; and
- 24 (ii) do not need to be met at the time that proceeds of an insurance policy are payable if the
- 25 requirements are met at the times specified in Subsection (2)(c)(i).
- 26 (d) Except as provided in Subsections (7)[,] and (8), [~~and (9), any~~] an insurance provided in
- 27 violation of this Subsection (2) is subject to Subsection (6).
- 28 (e) A policy holder in a group insurance policy does not need an insurable interest if a
- 29 certificate holder or a person other than the group policyholder who is specified by the
- 30 certificate holder is the recipient of the proceeds of the group insurance policy.
- 31 (3) The following is a nonexhaustive list of insurable interests:
- 32 (a) Each person has an unlimited insurable interest in that person's own life and health.
- 33 (b) A shareholder, member, or partner has an insurable interest in the life of other
- 34 shareholders, members, or partners for purposes of insurance contracts that are an integral part
- 35 of a legitimate buy-sell agreement respecting shares, membership interests, or partnership
- 36 interests in the business.
- 37 (c) A trust has an insurable interest in the subject of the insurance to the extent that a
- 38 beneficiary of the trust has the insurable interest.
- 39 (d) (i) Subject to Subsection (3)(d)(v), an employer or an employer sponsored trust:
- 40 (A) has an insurable interest in the lives of the employer's:
- 41 (I) directors;
- 42 (II) officers;
- 43 (III) managers;
- 44 (IV) nonmanagement employees; and
- 45 (V) retired employees; and

46 (B) may insure the lives listed in Subsection (3)(d)(i)(A):  
47 (I) on an individual or group basis; and  
48 (II) with the written consent of the insured.

49 (ii) (A) A trustee of a trust established by an employer for the sole benefit of the employer has  
50 the same insurable interest in the life and health of any person as does the employer.  
51 (B) Without limiting the general principle in Subsection (3)(d)(ii)(A), a trustee of a trust  
52 established by an employer that provides life, health, disability, retirement, or similar benefits to  
53 an individual identified in Subsection (3)(d)(i)(A) has an insurable interest in the life of the  
54 individual described in Subsection (3)(d)(i)(A) for whom the benefits are provided.

55 (iii) (A) For the purpose of exchanging life insurance, the individuals described in Subsection  
56 (3)(d)(i)(A) include an individual who was formerly included under Subsection (3)(d)(i)(A) if the  
57 life insurance to be exchanged:  
58 (I) is purchased or acquired while the individual is a current director, officer, manager, or  
59 employee; and  
60 (II) is exchanged for life insurance in an amount that does not exceed the amount of the  
61 insurance being exchanged.

62 (B) Written consent of an individual described in this Subsection (3)(d)(iii) is not required at the  
63 time of the exchange of the life insurance.

64 (C) This Subsection (3)(d)(iii) shall be interpreted in a manner consistent with Subsection (2)(c).

65 (iv) (A) If an employer or trustee establishes an insurable interest as provided in this  
66 Subsection (3)(d) and all of the employer's business is acquired, purchased, merged into, or  
67 otherwise transferred to a subsequent employer, the insurable interest of the original employer  
68 or trustee in an individual described in Subsection (3)(d)(i)(A) is automatically transferred to:  
69 (I) the subsequent employer; or  
70 (II) the trustee of a trust established by the subsequent employer for the subsequent  
71 employer's sole benefit.

72 (B) A subsequent employer or a trustee of a trust described in Subsection (3)(d)(iv)(A)(II) may  
73 exchange life insurance that is purchased or acquired in an individual described in Subsection  
74 (3)(d)(i)(A) by the original employer or trustee without establishing a new insurable interest at  
75 the time of the exchange of the insurance.

76 (v) The extent of an employer's or employer sponsored trust's insurable interest for a  
77 nonmanagement or retired employee under Subsection (3)(d)(i) is limited to an amount  
78 commensurate with the employer's unfunded liabilities at the time insurance on the  
79 nonmanagement or retired employee is procured.

80 (4) (a) Except as provided in Subsection (5), an insurer may not knowingly issue an individual  
81 life or accident and health insurance policy to a person other than the one whose life or health  
82 is at risk unless that person:  
83 (i) is 18 years of age or older;  
84 (ii) is not under guardianship under Title 75, Chapter 5, Protection of Persons Under Disability  
85 and Their Property; and  
86 (iii) gives written consent to the issuance of the policy.

87 (b) A person shall express consent:  
88 (i) by signing an application for the insurance with knowledge of the nature of the document; or  
89 (ii) in any other reasonable way.

90 (c) Any insurance provided in violation of this Subsection (4) is subject to Subsection (6).

91 (5) (a) A life or accident and health insurance policy may be taken out without consent in a  
92 circumstance described in this Subsection (5)(a).  
93 (i) A person may obtain insurance on a dependent who does not have legal capacity.  
94 (ii) A creditor may, at the creditor's expense, obtain insurance on the debtor in an amount  
95 reasonably related to the amount of the debt.

96 (iii) A person may obtain life and accident and health insurance on an immediate family  
97 member who is living with or dependent on the person.

98 (iv) A person may obtain an accident and health insurance policy on others that would merely  
99 indemnify the policyholder against expenses the person would be legally or morally obligated to pay.

100 (v) The commissioner may adopt rules permitting issuance of insurance for a limited term on  
101 the life or health of a person serving outside the continental United States who is in the public  
102 service of the United States, if the policyholder is related within the second degree by blood or  
103 by marriage to the person whose life or health is insured.

104 (b) Consent may be given by another in a circumstance described in this Subsection (5)(b).

105 (i) A parent, a person having legal custody of a minor, or a guardian of a person under Title 75,  
106 Chapter 5, Protection of Persons Under Disability and Their Property, may consent to the  
107 issuance of a policy on a dependent child or on a person under guardianship under Title 75,  
108 Chapter 5, Protection of Persons Under Disability and Their Property.

109 (ii) A grandparent may consent to the issuance of life or accident and health insurance on a  
110 grandchild.

111 (iii) A court of general jurisdiction may give consent to the issuance of a life or accident and  
112 health insurance policy on an ex parte application showing facts the court considers sufficient to  
113 justify the issuance of that insurance.

114 (6) (a) An insurance policy is not invalid because:

115 (i) the insurance policy is issued or procured in violation of Subsection (2); or  
116 (ii) consent has not been given.

117 (b) Notwithstanding Subsection (6)(a), a court with appropriate jurisdiction may:

118 (i) order the proceeds to be paid to some person who is equitably entitled to the proceeds,  
119 other than the one to whom the policy is designated to be payable; or  
120 (ii) create a constructive trust in the proceeds or a part of the proceeds on behalf of a person  
121 who is equitably entitled to the proceeds, subject to all the valid terms and conditions of the  
122 policy other than those relating to insurable interest or consent.

123 (7) This section does not prevent any organization described under [\[26 U.S.C. Sec.\]](#)  
124 [Section 501\(c\)\(3\), \(e\), or \(f\), Internal Revenue Code,](#) as amended, and the regulations made  
125 under this section, and which is regulated under Title 13, Chapter 22, Charitable Solicitations  
126 Act, from soliciting and procuring, by assignment or designation as beneficiary, a gift or  
127 assignment of an interest in life insurance on the life of the donor or assignor or from enforcing  
128 payment of proceeds from that interest.

129 (8) An insurance policy transferred pursuant to Chapter 36, Viatical Settlements Act, is not  
130 subject to Subsection (6)(b) and nothing else in this section shall prevent:

131 (a) any policyholder of life insurance, whether or not the policyholder is also the subject of the  
132 insurance, from entering into a viatical settlement;

133 (b) any person from soliciting a person to enter into a viatical settlement;

134 (c) a person from enforcing payment of proceeds from the interest obtained under a viatical  
135 settlement; or

136 (d) a viatical settlement provider, a viatical settlement purchaser, a financing entity, a related  
137 provider trust, or a special purpose entity from executing any of the following with respect to the  
138 death benefit or ownership of any portion of a viaticated policy as provided for in  
139 Section 31A-36-109:

140 (i) an assignment;

141 (ii) a sale;

142 (iii) a transfer;

143 (iv) a devise; or

144 (v) a bequest.

145 ~~[\[\(9\) Notwithstanding Subsection \(2\), an insurer authorized under this title to issue a workers'](#)~~  
146 ~~[compensation policy may issue a workers' compensation policy to a sole proprietorship,](#)~~

147 ~~corporation, or partnership that elects not to include any owner, corporate officer, or partner as~~  
148 ~~an employee under the policy even if at the time the policy is issued the sole proprietorship,~~  
149 ~~corporation, or partnership has no employees.]~~  
150 [(+0)] (9) (a) The insurable interests described in this section:  
151 (i) are not exclusive;  
152 (ii) are cumulative of an insurable interest that is not expressly included in this section but  
153 exists in common law; and  
154 (iii) are not in lieu of an insurable interest that is not expressly included in this section but exists  
155 in common law.  
156 (b) The inclusion of an insurable interest in this section may not be considered to be excluding  
157 another insurable interest that is similar to the insurable interest included in this section.  
158 (c) (i) The recognition of an insurable interest in this section by Chapter 89, Laws of Utah 2007, does  
159 not imply or create a presumption that the insurable interest did not exist before April 30, 2007.  
160 (ii) An insurable interest shall be presumed with respect to a life insurance policy issued before  
161 April 30, 2007 to a person whose insurable interest is recognized in this section by Chapter 89,  
162 Laws of Utah 2007.

163  
164 **31A-22-501.1. Employer groups.**

165 (1) The lives of a group of individuals may be insured under a policy:  
166 (a) issued as a policyholder, to:  
167 (i) an employer; or  
168 (ii) an employer sponsored trust for the benefit of the employer's employees;  
169 (b) having an insurable interest as stated in Subsection 31A-21-104 [(2)(a)(v)] (3)(d); and  
170 (c) subject to the requirement of Subsection 31A-21-104 [(9)] (3)(d)(v).  
171 (2) A policy issued under this section is not subject to:  
172 (a) Section 31A-21-311; and  
173 (b) Sections 31A-22-516 through 31A-22-522.

174  
175 **31A-22-1011. Workers' compensation coverage waivers.**

176 (1) As used in this section:  
177 (a) "Business entity" means:  
178 (i) a sole proprietorship;  
179 (ii) a corporation;  
180 (iii) a partnership;  
181 (iv) a limited liability company; or  
182 (v) an entity similar to one described in Subsections (1)(a)(i) through (iv).  
183 (b) "Waiver" means a workers' compensation coverage waiver issued under this section.  
184 (2) Notwithstanding Subsection 31A-21-104, if the information required by Subsection (3) is  
185 provided, an insurer authorized under this title to issue a workers' compensation policy may  
186 issue a workers' compensation coverage waiver to a business entity that elects not to include  
187 an owner, corporate officer, or partner as an employee under a workers' compensation policy in  
188 accordance with Section 34A-2-103, even if on the day on which the insurer issues the waiver  
189 the business entity has no employee.  
190 (3) To obtain a waiver, a business entity shall submit to the insurer that issues the waiver:  
191 (a) a copy of two or more of the following:  
192 (i) the business entity's most recent federal or state income tax return that shows business income;  
193 (ii) a valid business license;  
194 (iii) a license to engage in an occupation or profession, including a license under Title 59,  
195 Occupations and Professions; or  
196 (iv) documentation of an active liability insurance policy that covers the business entity's  
197 activities; or

198 (b) a copy of an item listed in Subsection (3)(a) and a copy of two or more of the following:

199 (i) proof of a bank account for the business entity;

200 (ii) proof of a telephone number for the business entity;

201 (iii) proof of a physical location for the business entity; or

202 (iv) an advertisement of services in a newspaper of general circulation or telephone directory  
203 showing the business entity's name.

204 (4)(a) An insurer that issues a waiver shall report to the Labor Commission for each business  
205 entity to which the insurer issues a waiver:

206 (i) the name, address, and telephone number of the business entity;

207 (ii) a name of an individual who can be contacted on behalf of the business entity; and

208 (iii) other information required by the Labor Commission, by rule made in accordance with  
209 Title 63, Chapter 46a, Utah Administrative Rulemaking Act.

210 (b) The Labor Commission, by rule made in accordance with Title 63, Chapter 46a, Utah  
211 Administrative Rulemaking Act, shall determine how frequently an insurer shall make a report  
212 required by Subsection (4)(a), except that the Labor Commission shall require that a report be  
213 submitted at least monthly.

214 (5) The Labor Commission may investigate a business entity to determine whether the  
215 business entity validly elected to not cover an owner, corporate officer, or partner as an  
216 employee under a workers' compensation policy in accordance with Section 34A-2-103.

217

218 **34A-2-103. Employers enumerated and defined -- Regularly employed -- Statutory**  
219 **employers.**

220 (1) (a) The state, and each county, city, town, and school district in the state are considered  
221 employers under this chapter and Chapter 3, Utah Occupational Disease Act.

222 (b) For the purposes of the exclusive remedy in this chapter and Chapter 3, Utah Occupational  
223 Disease Act prescribed in Sections 34A-2-105 and 34A-3-102, the state is considered to be a  
224 single employer and includes any office, department, agency, authority, commission, board,  
225 institution, hospital, college, university, or other instrumentality of the state.

226 (2) (a) Except as provided in Subsection (4), each person, including each public utility and each  
227 independent contractor, who regularly employs one or more workers or operatives in the same  
228 business, or in or about the same establishment, under any contract of hire, express or implied,  
229 oral or written, is considered an employer under this chapter and Chapter 3, Utah Occupational  
230 Disease Act.

231 (b) As used in this Subsection (2):

232 (i) "Independent contractor" means any person engaged in the performance of any work for  
233 another who, while so engaged, is:

234 (A) independent of the employer in all that pertains to the execution of the work;

235 (B) not subject to the routine rule or control of the employer;

236 (C) engaged only in the performance of a definite job or piece of work; and

237 (D) subordinate to the employer only in effecting a result in accordance with the employer's design.

238 (ii) "Regularly" includes all employments in the usual course of the trade, business, profession,  
239 or occupation of the employer, whether continuous throughout the year or for only a portion of  
240 the year.

241 (3) (a) The client company in an employee leasing arrangement under Title 58, Chapter 59,  
242 Professional Employer Organization Registration Act, is considered the employer of leased  
243 employees and shall secure workers' compensation benefits for them by complying with  
244 Subsection 34A-2-201(1) or (2) and commission rules.

245 (b) An insurance carrier may underwrite workers' compensation secured in accordance with  
246 Subsection (3)(a) showing the leasing company as the named insured and each client company  
247 as an additional insured by means of individual endorsements.

248 (c) Endorsements shall be filed with the division as directed by commission rule.

249 (d) The division shall promptly inform the Division of Occupation and Professional Licensing within  
250 the Department of Commerce if the division has reason to believe that an employee leasing  
251 company is not in compliance with Subsection 34A-2-201(1) or (2) and commission rules.  
252 (4) A domestic employer who does not employ one employee or more than one employee at  
253 least 40 hours per week is not considered an employer under this chapter and Chapter 3, Utah  
254 Occupational Disease Act.  
255 (5) (a) As used in this Subsection (5):  
256 (i) (A) "agricultural employer" means a person who employs agricultural labor as defined in  
257 Subsections 35A-4-206(1) and (2) and does not include employment as provided in Subsection  
258 35A-4-206(3); and  
259 (B) notwithstanding Subsection (5)(a)(i)(A), only for purposes of determining who is a member  
260 of the employer's immediate family under Subsection (5)(a)(ii), if the agricultural employer is a  
261 corporation, partnership, or other business entity, "agricultural employer" means an officer,  
262 director, or partner of the business entity;  
263 (ii) "employer's immediate family" means:  
264 (A) an agricultural employer's:  
265 (I) spouse;  
266 (II) grandparent;  
267 (III) parent;  
268 (IV) sibling;  
269 (V) child;  
270 (VI) grandchild;  
271 (VII) nephew; or  
272 (VIII) niece;  
273 (B) a spouse of any person provided in Subsection (5)(a)(ii)(A)(II) through (VIII); or  
274 (C) an individual who is similar to those listed in Subsections (5)(a)(ii)(A) or (B) as defined by  
275 rules of the commission; and  
276 (iii) "nonimmediate family" means a person who is not a member of the employer's immediate family.  
277 (b) For purposes of this chapter and Chapter 3, Utah Occupational Disease Act, an agricultural  
278 employer is not considered an employer of a member of the employer's immediate family.  
279 (c) For purposes of this chapter and Chapter 3, Utah Occupational Disease Act, an agricultural  
280 employer is not considered an employer of a nonimmediate family employee if:  
281 (i) for the previous calendar year the agricultural employer's total annual payroll for all  
282 nonimmediate family employees was less than \$8,000; or  
283 (ii) (A) for the previous calendar year the agricultural employer's total annual payroll for all  
284 nonimmediate family employees was equal to or greater than \$8,000 but less than \$50,000; and  
285 (B) the agricultural employer maintains insurance that covers job-related injuries of the  
286 employer's nonimmediate family employees in at least the following amounts:  
287 (I) \$300,000 liability insurance, as defined in Section 31A-1-301; and  
288 (II) \$5,000 for health care benefits similar to benefits under health care insurance as defined in  
289 Section 31A-1-301.  
290 (d) For purposes of this chapter and Chapter 3, Utah Occupational Disease Act, an agricultural  
291 employer is considered an employer of a nonimmediate family employee if:  
292 (i) for the previous calendar year the agricultural employer's total annual payroll for all  
293 nonimmediate family employees is equal to or greater than \$50,000; or  
294 (ii) (A) for the previous year the agricultural employer's total payroll for nonimmediate family  
295 employees was equal to or exceeds \$8,000 but is less than \$50,000; and  
296 (B) the agricultural employer fails to maintain the insurance required under Subsection  
297 (5)(c)(ii)(B).

298 (6) An employer of agricultural laborers or domestic servants who is not considered an  
299 employer under this chapter and Chapter 3, Utah Occupational Disease Act, may come under  
300 this chapter and Chapter 3, Utah Occupational Disease Act, by complying with:  
301 (a) this chapter and Chapter 3, Utah Occupational Disease Act; and  
302 (b) the rules of the commission.

303 (7) (a) If any person who is an employer procures any work to be done wholly or in part for the  
304 employer by a contractor over whose work the employer retains supervision or control, and this  
305 work is a part or process in the trade or business of the employer, the contractor, all persons  
306 employed by the contractor, all subcontractors under the contractor, and all persons employed  
307 by any of these subcontractors, are considered employees of the original employer for the  
308 purposes of this chapter and Chapter 3, Utah Occupational Disease Act.

309 (b) Any person who is engaged in constructing, improving, repairing, or remodeling a residence  
310 that the person owns or is in the process of acquiring as the person's personal residence may  
311 not be considered an employee or employer solely by operation of Subsection (7)(a).

312 (c) A partner in a partnership or an owner of a sole proprietorship is not considered an  
313 employee under Subsection (7)(a) if the employer who procures work to be done by the  
314 partnership or sole proprietorship obtains and relies on either:

315 (i) a valid certification of the partnership's or sole proprietorship's compliance with Section  
316 34A-2-201 indicating that the partnership or sole proprietorship secured the payment of workers'  
317 compensation benefits pursuant to Section 34A-2-201; or

318 (ii) if a partnership or sole proprietorship with no employees other than a partner of the  
319 partnership or owner of the sole proprietorship, a workers' compensation [\[policy\] coverage](#)  
320 [waiver](#) issued by an insurer pursuant to [\[Subsection 31A-21-104\(8\)\]](#) [Section 31A-22-1011](#)  
321 stating that:

322 (A) the partnership or sole proprietorship is customarily engaged in an independently  
323 established trade, occupation, profession, or business; and

324 (B) the partner or owner personally waives the partner's or owner's entitlement to the benefits  
325 of this chapter and Chapter 3, Utah Occupational Disease Act, in the operation of the  
326 partnership or sole proprietorship.

327 (d) A director or officer of a corporation is not considered an employee under Subsection (7)(a)  
328 if the director or officer is excluded from coverage under Subsection 34A-2-104(4).

329 (e) A contractor or subcontractor is not an employee of the employer under Subsection (7)(a), if  
330 the employer who procures work to be done by the contractor or subcontractor obtains and  
331 relies on either:

332 (i) a valid certification of the contractor's or subcontractor's compliance with Section 34A-2-201; or  
333 (ii) if a partnership, corporation, or sole proprietorship with no employees other than a partner  
334 of the partnership, officer of the corporation, or owner of the sole proprietorship, a workers'  
335 compensation [\[policy\] coverage waiver](#) issued by an insurer pursuant to [\[-Subsection](#)  
336 [31A-21-104\(8\)\]](#) [Section 31A-22-1011](#) stating that:

337 (A) the partnership, corporation, or sole proprietorship is customarily engaged in an  
338 independently established trade, occupation, profession, or business; and

339 (B) the partner, corporate officer, or owner personally waives the partner's, corporate officer's,  
340 or owner's entitlement to the benefits of this chapter and Chapter 3, Utah Occupational Disease  
341 Act, in the operation of the partnership's, corporation's, or sole proprietorship's enterprise under  
342 a contract of hire for services.

343 (f) (i) For purposes of this Subsection (7)(f), "eligible employer" means a person who:

344 (A) is an employer; and

345 (B) procures work to be done wholly or in part for the employer by a contractor, including:

346 (I) all persons employed by the contractor;

347 (II) all subcontractors under the contractor; and

348 (III) all persons employed by any of these subcontractors.

349 (ii) Notwithstanding the other provisions in this Subsection (7), if the conditions of Subsection  
350 (7)(f)(iii) are met, an eligible employer is considered an employer for purposes of Section  
351 34A-2-105 of the contractor, subcontractor, and all persons employed by the contractor or  
352 subcontractor described in Subsection (7)(f)(i)(B).

353 (iii) Subsection (7)(f)(ii) applies if the eligible employer:  
354 (A) under Subsection (7)(a) is liable for and pays workers' compensation benefits as an original  
355 employer under Subsection (7)(a) because the contractor or subcontractor fails to comply with  
356 Section 34A-2-201;  
357 (B) (I) secures the payment of workers' compensation benefits for the contractor or  
358 subcontractor pursuant to Section 34A-2-201;  
359 (II) procures work to be done that is part or process of the trade or business of the eligible  
360 employer; and  
361 (III) does the following with regard to a written workplace accident and injury reduction program  
362 that meets the requirements of Subsection 34A-2-111(3)(d):  
363 (Aa) adopts the workplace accident and injury reduction program;  
364 (Bb) posts the workplace accident and injury reduction program at the work site at which the  
365 eligible employer procures work; and  
366 (Cc) enforces the workplace accident and injury reduction program according to the terms of  
367 the workplace accident and injury reduction program; or  
368 (C) (I) obtains and relies on:  
369 (Aa) a valid certification described in Subsection (7)(c)(i) or (7)(e)(i);  
370 (Bb) a workers' compensation [\[policy\]](#) [coverage waiver](#) described in Subsection (7)(c)(ii) or  
371 (7)(e)(ii); or  
372 (Cc) proof that a director or officer is excluded from coverage under Subsection 34A-2-104(4);  
373 (II) is liable under Subsection (7)(a) for the payment of workers' compensation benefits if the  
374 contractor or subcontractor fails to comply with Section 34A-2-201;  
375 (III) procures work to be done that is part or process in the trade or business of the eligible  
376 employer; and  
377 (IV) does the following with regard to a written workplace accident and injury reduction program  
378 that meets the requirements of Subsection 34A-2-111(3)(d):  
379 (Aa) adopts the workplace accident and injury reduction program;  
380 (Bb) posts the workplace accident and injury reduction program at the work site at which the  
381 eligible employer procures work; and  
382 (Cc) enforces the workplace accident and injury reduction program according to the terms of  
383 the workplace accident and injury reduction program.  
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