

31A-19a-210 Dividend and participating plans.

- (1)
 - (a) This part does not prohibit the distribution by an insurer to a policyholder of any of the following allowed or returned by the insurer:
 - (i) dividends;
 - (ii) savings; or
 - (iii) unabsorbed premium deposits.
 - (b) Notwithstanding Subsection (1)(a), an insurer may not distribute dividends, savings, or unabsorbed premium deposits to an entity that has no insurable interest in the insurance.
- (2) An insurer may not unfairly discriminate between policyholders in the payment of dividends, savings, or unabsorbed premium deposits.
- (3)
 - (a) A declaration of dividends or schedule explaining the basis for the distribution of dividends, savings, or unabsorbed premium deposits allowed or returned by an insurer to its policyholders is not a rating plan or system if the insurer:
 - (i) determines and declares the declaration or schedule after a specified policy accounting period; and
 - (ii) files the declaration or schedule pursuant to Section 31A-21-310.
 - (b) A declaration or schedule described under Subsection (3)(a) is not required to be filed with the commissioner under this chapter.
- (4)
 - (a) A dividend or participating plan developed by insurers establishing given criteria for eligibility and the general basis for distribution for a dividend, if declared, is considered a rating plan if the plan is to be applicable to an insurance policy from its inception.
 - (b) A plan described in Subsection (4)(a) shall be filed with the commissioner pursuant to this part.
- (5) An insurer may not make the distribution of a dividend or any portion of a dividend conditioned upon renewal of the policy or contract.

Enacted by Chapter 130, 1999 General Session