

1 **INSURANCE DEPARTMENT REVIEW OF**
2 **HEALTH INSURANCE LEGISLATION**

3 2000 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: Rebecca D. Lockhart**

6 AN ACT RELATING TO INSURANCE; REQUIRING THE INSURANCE COMMISSIONER
7 TO PRODUCE A REPORT ON EACH BILL THAT IMPOSES A MANDATORY
8 OBLIGATION ON HEALTH INSURERS; AND PROVIDING AN IMMEDIATE EFFECTIVE
9 DATE.

10 This act affects sections of Utah Code Annotated 1953 as follows:

11 AMENDS:

12 **31A-2-201**, as last amended by Chapter 316, Laws of Utah 1994

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

14 Section 1. Section **31A-2-201** is amended to read:

15 **31A-2-201. General duties and powers.**

16 (1) The commissioner shall administer and enforce this title.

17 (2) The commissioner has all powers specifically granted, and all further powers that are
18 reasonable and necessary to enable him to perform the duties imposed by this title.

19 (3) (a) The commissioner may make rules to implement the provisions of this title
20 according to the procedures and requirements of Title 63, Chapter 46a, Utah Administrative
21 Rulemaking Act.

22 (b) In addition to the notice requirements of Section 63-46a-4, the commissioner shall
23 provide notice under Section 31A-2-303 of hearings concerning insurance department rules.

24 (4) (a) The commissioner shall issue prohibitory, mandatory, and other orders as necessary
25 to secure compliance with this title. An order by the commissioner is not effective unless the
26 order:

27 (i) is in writing; and

28 (ii) is signed by the commissioner or under the commissioner's authority.

29 (b) On request of any person who would be affected by an order under Subsection (4)(a),
30 the commissioner may issue a declaratory order to clarify the person's rights or duties.

31 (5) (a) The commissioner may hold informal adjudicative proceedings and public
32 meetings, for the purpose of investigation, ascertainment of public sentiment, or informing the
33 public.

34 (b) No effective rule or order may result from informal hearings and meetings unless the
35 requirement of a hearing under Section 31A-2-301 is satisfied.

36 (6) The commissioner shall inquire into violations of this title and may conduct any
37 examinations and investigations of insurance matters, in addition to examinations and
38 investigations expressly authorized, that he considers proper to determine:

39 (a) whether or not any person has violated any provision of this title; or

40 (b) to secure information useful in the lawful administration of any provision of this title.

41 (7) (a) A House or Senate bill that imposes a mandatory obligation on health insurers with
42 respect to coverage, benefits, or providers shall be forwarded to the commissioner by the Office
43 of Legislative Research and General Counsel when the bill is numbered.

44 (b) The commissioner shall produce a brief, independent analysis of each bill received
45 under Subsection (7)(a) within three working days.

46 (c) The analysis shall evaluate the general policy and fiscal implications of the bill in
47 relation to the state's health insurance market and provide an impact statement.

48 (d) The commissioner shall submit a copy of the analysis to:

49 (i) the sponsor of the House or Senate bill;

50 (ii) any legislator upon request; and

51 (iii) the Office of Legislative Research and General Counsel for distribution to the standing
52 committee to which the bill has been assigned for consideration.

53 (e) The commissioner or a designee shall be available upon request to explain the
54 significance of an analysis prepared pursuant to Subsection (7)(c) to a legislative body.

55 **Section 2. Effective date.**

56 If approved by two-thirds of all the members elected to each house, this act takes effect
57 upon approval by the governor, or the day following the constitutional time limit of Utah
58 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto, the

59 date of veto override.

Legislative Review Note
as of 1-14-00 11:56 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel