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INSURANCE DEPARTMENT - HEALTH

POLICY RESPONSIBILITIES

2001 GENERAL SESSION

STATE OF UTAH

Sponsor: Rebecca D. Lockhart

This act modifies the Insurance Code to require the insurance commissioner to prepare an annual evaluation of the state's health insurance industry.

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

AMENDS:

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

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

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

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

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

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

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

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

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

(i) is in writing; and

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

(b) On request of any person who would be affected by an order under Subsection (4)(a),

28 the commissioner may issue a declaratory order to clarify the person's rights or duties.

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

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

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

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

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

39 (7) (a) Each year, the commissioner shall:

40 (i) conduct an evaluation of the state's health insurance industry; and

41 (ii) report the findings of the evaluation to the Health and Human Services Interim
42 Committee before July 31.

43 (b) The evaluation shall:

44 (i) analyze the effectiveness of the insurance regulations and statutes in promoting a
45 healthy, competitive health insurance industry by assessing such things as the marketing of
46 individual and group products, rate charges, market share charges, and accessibility;

47 (ii) assess complaint ratios and trends within the health insurance industry; and

48 (iii) contain recommendations for action to improve the overall effectiveness of the health
49 insurance market, administrative rules, and statutes.

Legislative Review Note

as of 11-28-00 1:43 PM

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

Office of Legislative Research and General Counsel