

- 28 (ii) employees of nonprofit entities;
- 29 (iii) governmental entities; and
- 30 (iv) employees of governmental entities;
- 31 (b) issues only annuities and no other insurance product; and
- 32 (c) does not pay any benefit based on a guarantee as to principal, interest rate, return on
- 33 investment, mortality, and morbidity.

34 (2) "Nontraditional insurer" does not include an insurer that provides annuities to
 35 persons other than:

- 36 (a) nonprofit entities;
- 37 (b) employees of nonprofit entities;
- 38 (c) governmental entities; and
- 39 (d) employees of governmental entities.

40 Section 2. Section **31A-10-202** is amended to read:

41 **31A-10-202. Purposes of part.**

42 The purposes of this part are:

43 (1) to provide for the continued operation in this state, subject to the provisions of this
 44 title, of [~~nonprofit organizations~~] nontraditional insurers providing annuities [~~and insurance to~~
 45 ~~the educational and research institutions~~] to the nonprofit entities and governmental entities of
 46 this state and their employees; and

47 (2) to specify provisions which equitably deal with the operational, structural, and
 48 functional differences between [~~nonprofit educational~~] nontraditional insurers and other
 49 insurers, without compromising the interests of policyholders.

50 Section 3. Section **31A-10-203** is amended to read:

51 **31A-10-203. Applicability of other provisions.**

52 (1) Except as provided in this section, domestic [~~nonprofit educational~~] nontraditional
 53 insurers are subject to the same provisions applicable to other domestic insurers, and
 54 nondomestic [~~nonprofit educational~~] nontraditional insurers are subject to the same provisions
 55 applicable to other nondomestic insurers.

56 [~~(2) Chapter 28 does not apply to the annuity business nor to annuitants of nonprofit~~
 57 ~~educational insurers.]~~

58 [~~(3)~~] (2) [~~Nonprofit educational insurers that do not issue contracts containing~~

- 59 ~~guarantees as to principal, interest rate, return on investment, mortality, and morbidity]~~
60 Nontraditional insurers are not subject to:
- 61 (a) Section 31A-5-211;
 - 62 (b) Section 31A-5-217;
 - 63 (c) Subsection 31A-14-205(1)(a);
 - 64 (d) Chapter 17, Determination of Financial Condition;
 - 65 (e) Chapter 18, Investments;
 - 66 (f) Section 31A-20-106;
 - 67 (g) Chapter 21, Insurance Contracts in General, if:
 - 68 (i) their contract forms have been approved by the appropriate regulatory authorities in
 - 69 their state of domicile; and
 - 70 (ii) these contract forms are standard forms generally issued by those [~~nonprofit~~
 - 71 ~~educational~~] nontraditional insurers in the United States; [~~or~~
 - 72 (h) Chapter 22[-], Contracts in Specific Lines; or
 - 73 (i) Chapter 28, Guaranty Associations.

Legislative Review Note
as of 1-30-03 7:50 AM

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

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number HB0146

Nontraditional Insurers

04-Feb-03

2:44 PM

State Impact

No fiscal impact.

Individual and Business Impact

No fiscal impact.

Office of the Legislative Fiscal Analyst