

1                   **REFUND OF UNEARNED HEALTH INSURANCE**  
2                   **PREMIUMS AND MEDICARE SUPPLEMENT**  
3                   **INSURANCE PREMIUMS**

4                   2009 GENERAL SESSION

5                   STATE OF UTAH

6                   **Chief Sponsor: Paul Ray**

7                   Senate Sponsor: Daniel R. Liljenquist

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9                   **LONG TITLE**

10                  **General Description:**

11                  This bill amends provisions of the Insurance Code relating to the refund of unearned  
12 health insurance premiums and Medicare supplement insurance premiums.

13                  **Highlighted Provisions:**

14                  This bill:

- 15                  ▶ defines the term "unearned amount of the collected premium";
- 16                  ▶ provides that, if a health insurance policy or a Medicare supplement policy is  
17 cancelled for a reason other than a material misrepresentation, the insurer shall  
18 refund the unearned amount of the collected premium;
- 19                  ▶ provides that, if an insurer cancels a health insurance policy or a Medicare  
20 supplement policy because of a material misrepresentation on the application, the  
21 insurer shall refund all premiums collected minus claims that have been paid; and  
22                  ▶ makes technical changes.

23                  **Monies Appropriated in this Bill:**

24                  None

25                  **Other Special Clauses:**

26                  None

27                  **Utah Code Sections Affected:**

28                  AMENDS:

29                  **31A-21-315**, as last amended by Laws of Utah 1992, Chapter 230

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

32 Section 1. Section **31A-21-315** is amended to read:

33 **31A-21-315. Refund of canceled health insurance premiums and Medicare**  
34 **supplement insurance premiums.**

35 (1) As used in this section, "unearned amount of the collected premium" means the  
36 amount of the collected premium applicable to the unexpired portion of the time period to  
37 which the policy or certificate relates.

38 [~~(1)~~] (2) If [~~an insurer cancels~~] a health insurance policy or a Medicare supplement  
39 policy is cancelled for a reason other than a material misrepresentation, the insurer shall refund  
40 the unearned [~~portion~~] amount of the collected premium.

41 [~~(2)~~] (3) If an insurer cancels a health insurance policy or a Medicare supplement  
42 policy because of a material misrepresentation on the application, the insurer shall refund all  
43 premiums collected minus claims that have been paid.