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CONFERENCE COMMITTEE REPORT

February 18, 2011

Mr. President and Mr. Speaker:

The Joint Conference Committee comprised of Sens. Adams, Niederhauser, and Mayne, and Reps. Dunnigan, Kiser, and Biskupksi, recommends **1st Sub. H.B. 19**, INSURANCE LAW RELATED AMENDMENTS, by Representative J. Dunnigan, with the following amendments:

1. Include all House amendments
2. Include all Senate amendments
3. Also include the following amendments:

Page 1, Lines 13 through 14:

- 13 ▶ amends definitions;
- ▶ **creates the Insurance Department Restricted Account;**
- 14 ▶ addresses fees for captive insurance companies and the cap on the Captive

Page 3, Lines 57 through 58:

- 57 31A-2-212, as last amended by Laws of Utah 2007, Chapter 309
- = **31A-3-101, as last amended by Laws of Utah 2008, Chapter 382**
- 31A-3-103, as last amended by Laws of Utah 2010, Chapter 10**
- 58 31A-3-304, as last amended by Laws of Utah 2010, Chapters 10, 68 and last amended

Page 42, Line 1294:

1294 Accountability Act[~~, P.L. 104-191, pursuant to 110 Stat. 1968, Sec. 2722~~].

Section 4. Section 31A-3-101 is amended to read:

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31A-3-101. General finance provisions.

~~{ (1) The department's expenses shall be paid from the General Fund. }~~ Department expenditures shall conform to the Legislature's appropriation adopted under Title 63J, Chapter 1, Budgetary Procedures Act.

~~{ (2) Except as provided in Section 31A-2-206, or as otherwise specifically provided in this title, all money collected by the commissioner shall be deposited without deduction in the General Fund. }~~

Section 5. Section 31A-3-103 is amended to read:

31A-3-103. Fees.

(1) For purposes of this section, "services" means functions that are reasonable and necessary to enable the commissioner to perform the duties imposed by this title including:

- (a) issuing or renewing a license or certificate of authority;
- (b) filing a policy form;
- (c) reporting a producer appointment or termination; and
- (d) filing an annual statement.

(2) Except as otherwise provided by this title:

- (a) the commissioner may set and collect a fee for services provided by the commissioner;
- (b) a fee related to the renewal of a license may be imposed no more frequently than once each year; and
- (c) a fee charged by the commissioner shall be set in accordance with Section 63J-1-504.

~~{ (3) Except as otherwise provided in this title, a fee established pursuant to this section shall be deposited into the General Fund for appropriation by the Legislature. }~~

~~{ (4) }~~ **(3)** (a) The commissioner shall publish a schedule of fees established pursuant to this section.

(b) The commissioner shall, by rule, establish the deadlines for payment of a fee established pursuant to this section.

(4) (a) Beginning July 1, 2011, there is created in the General Fund a restricted account known as the "Insurance Department Restricted Account."

(b) Except as provided in Subsection (4)(c), the Insurance Department Restricted Account shall consist of:

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(i) fees authorized by this section; and

(ii) other money received by the department, including:

(A) reimbursements for examination costs incurred by the department; and

(B) forfeitures collected under this title.

(c) The department shall deposit money it receives that is subject to a restricted account or enterprise fund created by this title into the restricted account or enterprise fund in accordance with the statute creating the restricted account or enterprise fund, and the department may not deposit the money into the Insurance Department Restricted Account.

(d) Subject to appropriation by the Legislature, the department may expend money in the Insurance Department Restricted Account to fund the operations of the department.

(e) At the end of each fiscal year, the director of the Division of Finance shall transfer into the General Fund any money deposited into the Insurance Department Restricted Account under Subsection (4)(b) that exceeds the legislative appropriations from the Insurance Department Restricted Account for that year.

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Page 102c, Lines 3137do through 3137dp
Senate Committee Amendments
2-9-2011:

3137do (7) A licensee may not receive noncommission compensation from an insured or enrollee for providing a
service or engaging in an
3137dp act that is required to be provided or performed in order to receive commission compensation , except for the
surplus lines transactions that do not receive commissions . ←§

Respectfully,

Sen. Adams
Senate Chair, Conference Committee

Rep. Dunnigan
House Chair, Conference Committee

Voting: 6-0-0
17 HB0019.CC1.WPD 2/21/11 12:37 pm / PO/BRH

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