

- 26 • imposing sanctions;
- 27 • providing for receivership;
- 28 • providing for recovery;
- 29 • allowing revocation, suspension, or renewal of insurers license;
- 30 • granting rulemaking authority and authority to issue orders;
- 31 • addressing judicial review and mandamus;
- 32 • addressing conflicts with other laws; and
- 33 • providing for severability;
- 34 ▶ addresses provisions related to fidelity bonds;
- 34a **§→ ▶ addresses transportation network companies or drivers; ←§**
- 35 ▶ addresses trustee groups;
- 36 ▶ modifies exemption from conversion privileges for insured former spouse;
- 37 ▶ modifies definition of "Medicare Supplement Policy";
- 38 ▶ modifies definitions related to licensing;
- 39 ▶ addresses license lapse and voluntary surrender;
- 40 ▶ amends unfair marketing practices to include the use of certain names;
- 41 ▶ addresses inducements;
- 42 ▶ addresses continuing education requirements for navigators;
- 43 ▶ requires third party administrator to maintain with the commissioner certain
- 44 information related to place of business and contact information;
- 45 ▶ addresses receiver's compliance with financial reporting requirements;
- 46 ▶ restricts subrogation rights against an insolvent insurer's insured;
- 47 ▶ modifies definition provisions related to captive insurance companies;
- 48 ▶ addresses commissioner's ability to adopt rules related to waiver or modification of
- 49 certain public notice or hearings related to captive insurance companies;
- 50 ▶ includes certificate of organization as a document used to apply for a certificate of
- 51 authority;
- 52 ▶ addresses requirements for a captive insurance company to conduct insurance
- 53 business in this state;
- 54 ▶ provides for a limited liability company being a captive insurance company;
- 55 ▶ modifies capital requirements for captive insurance companies;
- 56 ▶ repeals language related to capital stock of a captive insurance company;

- 57 ▶ addresses when a captive insurance company can provide reinsurance;
- 58 ▶ addresses conversion or merger of a captive insurance company;
- 59 ▶ provides for a sponsored cell captive insurance company;
- 60 ▶ addresses fees to be paid by a protected cell captive insurance company;
- 61 ▶ modifies requirements for sponsored captive insurance companies;
- 62 ▶ clarifies participants in sponsored captive insurance companies;
- 63 ▶ addresses reporting requirements for sponsored cell captive insurance companies;
- 64 ▶ modifies the timing of examinations;
- 65 ▶ repeals free surplus provisions related to captive insurance companies;
- 66 ▶ repeals provisions related to a captive reinsurance company;
- 67 ▶ addresses stop-loss insurance coverage standards;
- 68 ▶ extends the Defined Contribution Risk Adjuster Act; and
- 69 ▶ makes technical and conforming amendments.

70 **Money Appropriated in this Bill:**

71 None

72 **Other Special Clauses:**

73 This bill provides a special effective date.

73a **§→ This bill provides a coordination clause. ←§**

74 **Utah Code Sections Affected:**

75 AMENDS:

76 **31A-1-301**, as last amended by Laws of Utah 2014, Chapters 290 and 300

77 **31A-3-304 (Effective 07/01/15)**, as last amended by Laws of Utah 2014, Chapters 290

78 and 300

79 **31A-6a-101**, as enacted by Laws of Utah 1992, Chapter 203

80 **31A-6a-103**, as last amended by Laws of Utah 2008, Chapter 345

81 **31A-6a-104**, as last amended by Laws of Utah 2011, Chapter 297

82 **31A-6a-105**, as last amended by Laws of Utah 2010, Chapter 274

83 **31A-16-103**, as last amended by Laws of Utah 2014, Chapters 290 and 300

84 **31A-16-105**, as last amended by Laws of Utah 2007, Chapter 306

85 **31A-16-106**, as last amended by Laws of Utah 2010, Chapter 324

86 **31A-16-109**, as last amended by Laws of Utah 1987, Chapter 91

87 **31A-21-313**, as last amended by Laws of Utah 2011, Chapter 297

- 119 31A-16-102.5, Utah Code Annotated 1953
- 120 31A-16-104.5, Utah Code Annotated 1953
- 121 31A-16-108.5, Utah Code Annotated 1953
- 122 31A-16-112, Utah Code Annotated 1953
- 123 31A-16-113, Utah Code Annotated 1953
- 124 31A-16-114, Utah Code Annotated 1953
- 125 31A-16-115, Utah Code Annotated 1953
- 126 31A-16-116, Utah Code Annotated 1953
- 127 31A-16-117, Utah Code Annotated 1953
- 128 31A-16-118, Utah Code Annotated 1953
- 129 31A-16-119, Utah Code Annotated 1953

129a **§→ 31A-22-322, Utah Code Annotated 1953 ←§**

- 130 31A-25-302.5, Utah Code Annotated 1953

131 RENUMBERS AND AMENDS:

- 132 31A-16-107.5, (Renumbered from 31A-16-108, as enacted by Laws of Utah 1985,
- 133 Chapter 242)

134 REPEALS:

- 135 31A-37-205, as last amended by Laws of Utah 2004, Chapter 312
- 136 31A-37-601, as last amended by Laws of Utah 2011, Chapter 297
- 137 31A-37-602, as last amended by Laws of Utah 2008, Chapters 302 and 382
- 138 31A-37-603, as last amended by Laws of Utah 2008, Chapter 302
- 139 31A-37-604, as enacted by Laws of Utah 2004, Chapter 312

139a **§→ Utah Code Sections Affected by Coordination Clause:**

139b **13-51-108, Utah Code Annotated 1953**

139c **31A-22-322, Utah Code Annotated 1953 ←§**



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

142 Section 1. Section 31A-1-301 is amended to read:

143 **31A-1-301. Definitions.**

144 As used in this title, unless otherwise specified:

- 145 (1) (a) "Accident and health insurance" means insurance to provide protection against
- 146 economic losses resulting from:
 - 147 (i) a medical condition including:
 - 148 (A) a medical care expense; or
 - 149 (B) the risk of disability;

- 2691 (3) An insurance policy may not:
- 2692 (a) limit the time for beginning an action on the policy to a time less than that
- 2693 authorized by statute;
- 2694 (b) prescribe in what court an action may be brought on the policy; or
- 2695 (c) provide that no action may be brought, subject to permissible arbitration provisions
- 2696 in contracts.
- 2697 (4) Unless by verified complaint it is alleged that prejudice to the complainant will
- 2698 arise from a delay in bringing suit against an insurer, which prejudice is other than the delay
- 2699 itself, no action may be brought against an insurer on an insurance policy to compel payment
- 2700 under the policy until the earlier of:
- 2701 (a) 60 days after proof of loss has been furnished as required under the policy;
- 2702 (b) waiver by the insurer of proof of loss; or
- 2703 (c) the insurer's denial of full payment.
- 2704 (5) The period of limitation is tolled during the period in which the parties conduct an
- 2705 appraisal or arbitration procedure prescribed by the insurance policy, by law, or as agreed to by
- 2706 the parties.

2707 Section 25. Section 31A-21-314 is amended to read:

2708 **31A-21-314. Prohibited provisions.**

2709 ~~[(No)]~~ (1) An insurance policy subject to this chapter may ~~§~~→ **not** ←~~§~~ contain any provision:

2710 ~~[(+)]~~ (a) requiring it to be construed according to the laws of another jurisdiction
2711 except as necessary to meet the requirements of compulsory insurance laws of other
2712 jurisdictions;

2713 ~~[(2)]~~ (b) depriving Utah courts of jurisdiction over an action against the insurer, except
2714 as provided in permissible arbitration provisions; or

2715 ~~[(3)]~~ (c) limiting the right of action against the insurer to less than three years from the
2716 date the cause of action accrues.

2717 (2) For purposes of Subsection (1)(c), the cause of action accrues on a fidelity bond on
2718 the date the insurer first denies all or part of a claim made under the fidelity bond.

2718a ~~§~~→ **Section 26. Section 31A-22-322 is enacted to read:**

2718b **31A-22-322. Transportation network company or driver.**

2718c **(1) As used in this section:**

2718d **(a) "Prearranged ride" means a period of time that:**

2718e **(i) begins when the transportation network driver has accepted a passenger's request for a ride**
2718f **through the transportation network company's software application; and**

2718g **(ii) ends when** ☺

- 2718g1 **☛ the passenger exits the transportation network driver's vehicle.**
- 2718h **(b) "Software application" means an Internet-connected software platform, including a mobile**
- 2718i **application, that a transportation network company uses to:**
- 2718j **(i) connect a transportation network driver to a passenger; and**
- 2718k **(ii) process passenger requests.**
- 2718l **(c) "Transportation network company" means an entity that:**
- 2718m **(i) uses a software application to connect a passenger to a transportation network driver**
- 2718n **providing transportation network services;**
- 2718o **(ii) is not:**
- 2718p **(A) a taxicab, as defined in Section 53-3-102; or**
- 2718q **(B) a motor carrier, as defined in Section 72-9-102; and**
- 2718r **(iii) does not own, control, operate, or manage the vehicle used to provide the transportation**
- 2718s **network services.**
- 2718t **(d) "Transportation network driver" means an individual who:**
- 2718u **(i) pays a fee to a transportation network company, and, in exchange, receives a connection to**
- 2718v **a potential passenger from the transportation network company; and**
- 2718w **(ii) operates a motor vehicle that:**
- 2718x **(A) the individual owns, leases, or is authorized to use; and**
- 2718y **(B) the individual uses to provide transportation network services.**
- 2718z **(e) "Transportation network services" means, for a transportation network driver providing**
- 2718aa **services through a transportation network company:**
- 2718ab **(i) providing a prearranged ride; or**
- 2718ac **(ii) being engaged in a waiting period.**
- 2718ad **(f) "Waiting period" means a period of time when:**
- 2718ae **(i) a transportation network driver is logged into a transportation network company's software**
- 2718af **application; and**
- 2718ag **(ii) the transportation network driver is not engaged in a prearranged ride.**
- 2718ah **(2) A transportation network company or a transportation network driver shall maintain**
- 2718ai **insurance that covers, on a primary basis, a transportation network driver's use of a vehicle**
- 2718aj **during a prearranged ride and that includes:**
- 2718ak **(a) an acknowledgment that the transportation network driver is using the vehicle in**
- 2718al **connection with a transportation network company during a prearranged ride or that the**
- 2718am **transportation network driver is otherwise using the vehicle for a commercial purpose;**
- 2718an **(b) liability coverage for a minimum amount of \$1,000,000 per occurrence; ☛**

- 2718ao **☛ (c) personal injury protection to the extent required under Sections 31A-22-306 through 31A**
2718ap **-22-309;**
- 2718aq **(d) uninsured motorist coverage where required by Section 31A-22-305; and**
2718ar **(e) underinsured motorist coverage where required by Section 31A-22-305.3.**
- 2718as **(3) A transportation network company or a transportation network driver shall maintain**
2718at **insurance that covers, on a primary basis, a transportation network driver's use of a vehicle**
2718au **during a waiting period and that includes: (a) an acknowledgment that the transportation**
2718av **network driver is using the vehicle in connection with a transportation network company**
2718aw **during a waiting period or that the transportation network driver is otherwise using the**
2718ax **vehicle for a commercial purpose;**
- 2718ay **(b) liability coverage in a minimum amount, per occurrence, of:**
- 2718az **(i) \$50,000 to any one individual;**
2718ba **(ii) \$100,000 to all individuals; and**
2718bb **(iii) \$30,000 for property damage;**
- 2718bc **(c) personal injury protection to the extent required under Sections 31A-22-306 through**
2718bd **31A-22-309;**
- 2718be **(d) uninsured motorist coverage where required by Section 31A-22-305; and**
2718bf **(e) underinsured motorist coverage where required by Section 31A-22-305.3.**
- 2718bg **(4) A transportation network company or a transportation network driver shall maintain**
2718bh **comprehensive and collision insurance that covers, on a primary or contingent basis, a**
2718bi **transportation network driver's use of a vehicle while providing transportation network**
2718bj **services, and that includes:**
- 2718bk **(a) an acknowledgment that the transportation network driver is using the vehicle in**
2718bl **connection with a transportation network company during a prearranged ride or waiting**
2718bm **period, or that the transportation network driver is otherwise using the vehicle for a**
2718bn **commercial purpose; and**
- 2718bo **(b) coverage limits that are at least equal to such coverage limits, if any, for the personal**
2718bp **automobile insurance maintained by the vehicle's owner and reported to the transportation**
2718bq **network company.**
- 2718br **(5) A transportation network company and a transportation network driver may satisfy the**
2718bs **requirements of Subsections (2), (3), and (4) by:**
- 2718bt **(a) the transportation network driver purchasing coverage that complies with Subsections (2),**
2718bu **(3), and (4);**
- 2718bv **(b) the transportation network company purchasing, on the transportation network ☛**

- 2718bw **⊗ driver's behalf, coverage that complies with Subsections (2), (3), and (4); or**
- 2718bx **(c) a combination of Subsections (5)(a) and (b).**
- 2718by **(6) An insurer may offer to a transportation network driver a personal automobile liability**
- 2718bz **insurance policy, or an amendment or endorsement to a personal automobile liability policy,**
- 2718ca **that:**
- 2718cb **(a) covers a private passenger motor vehicle while used to provide transportation network**
- 2718cc **services; and**
- 2718cd **(b) satisfies the coverage requirements described in Subsection (2), (3) or (4).**
- 2718ce **(7) Nothing in this section requires a personal automobile insurance policy to provide coverage**
- 2718cf **while a driver is providing transportation network services.**
- 2718cg **(8) If a transportation network company does not purchase a policy that complies with**
- 2718ch **Subsections (2), (3), and (4) on behalf of a transportation network driver, the transportation**
- 2718ci **network company shall verify that the driver has purchased a policy that complies with**
- 2718cj **Subsections (2), (3), and (4).**
- 2718ck **(9) An insurance policy that a transportation network company or a transportation network**
- 2718cl **driver maintains under Subsection (2) or (3):**
- 2718cm **(a) satisfies the security requirements of Section 41-12a-301; and**
- 2718cn **(b) may, along with insurance maintained under Subsection (4), be placed with:**
- 2718co **(i) an insurer that is certified under Section 31A-4-103; or**
- 2718cp **(ii) a surplus lines insurer licensed under Section 31A-23a-104.**
- 2718cq **(10) An insurer that provides coverage for a transportation network driver explicitly for the**
- 2718cr **transportation network driver's**
- 2718cr1 **transportation network services under Subsection (2) or (3) shall have the duty to defend a**
- 2718cs **liability claim arising from an occurrence while the transportation network driver is providing**
- 2718ct **transportation network services.**
- 2718cu **(11)(a) If insurance a transportation network driver maintains under Subsection (2), (3), or (4)**
- 2718cv **lapses or ceases to exist, a transportation network company shall provide coverage complying**
- 2718cw **with Subsection (2), (3), or (4) beginning with the first dollar of a claim.**
- 2718cx **(b) Subsection (11)(a) does not apply to comprehensive or collision insurance otherwise**
- 2718cy **required under Subsection (4) if, at the time of a claim for damage to a vehicle being used to**
- 2718cz **provide transportation network services, there is no outstanding lien on the vehicle.**
- 2718da **(12) (a) An insurance policy that a transportation network company or transportation network**
- 2718db **driver maintains under Subsection (2) or (3) may not provide that coverage is dependent on a**
- 2718dc **transportation network driver's personal automobile insurance policy first denying a claim.**
- 2718dd **(b) Subsection (12)(a) does not apply to coverage a transportation network company ⊗**

2718de **☛ provides under Subsection (10) in the event a transportation network driver's coverage**
2718df **under**

2718df1 **Subsection (2) or (3) lapses or ceases to exist.**

2718dg **(13) A personal automobile insurer:**

2718dh **(a) notwithstanding Section 31A-22-302, may offer a personal automobile liability policy that**
2718di **excludes coverage for a loss that arises from the use of the insured vehicle to provide**

2718dj **transportation network services; and**

2718dk **(b) does not have the duty to defend or indemnify a loss if an exclusion described in Subsection**

2718dl **(13)(a) excludes coverage according to the policy's terms.**

2718dm **(14) If a transportation network company's insurer insures a vehicle with a lien against the**

2718dn **vehicle, and the transportation network company's insurer covers a claim regarding the**

2718do **vehicle under comprehensive or collision coverage, the transportation network company shall**

2718dp **direct the transportation network company's insurer to issue the payment for the claim:**

2718dq **(a) directly to the person that is repairing the vehicle; or**

2718dr **(b) jointly to the owner of the vehicle and the primary lienholder. ←\$**

2719 Section ~~\$~~→ [26] 27 ←~~\$~~ . Section 31A-22-504 is amended to read:

2720 **31A-22-504. Trustee groups.**

2721 **(1) Group life insurance policies may be issued to:**

4582 Section [31A-37-603](#), **Minimum capitalization or reserves for a captive reinsurance**
 4583 **company.**

4584 Section [31A-37-604](#), **Management of assets of a captive reinsurance company.**

4585 Section 55. **Effective date.**

4586 This bill takes effect on May 12, 2015, except that:

4587 (1) the amendments in this bill to Section [31A-3-304](#) (Effective 07/01/15) take effect
 4588 on July 1, 2015; and

4589 (2) the actions affecting the following sections in this bill take effect on October 1,
 4590 2015:

4591 (a) Section [31A-16-102.5](#);

4592 (b) Section [31A-16-103](#);

4593 (c) Section [31A-16-104.5](#);

4594 (d) Section [31A-16-105](#);

4595 (e) Section [31A-16-106](#);

4596 (f) Section [31A-16-107.5](#);

4597 (g) Section [31A-16-108.5](#);

4598 (h) Section [31A-16-109](#);

4599 (i) Section [31A-16-112](#);

4600 (j) Section [31A-16-113](#);

4601 (k) Section [31A-16-114](#);

4602 (l) Section [31A-16-115](#);

4603 (m) Section [31A-16-116](#);

4604 (n) Section [31A-16-117](#);

4605 (o) Section [31A-16-118](#); and

4606 (p) Section [31A-16-119](#).

4606a **§→ Section 57. Coordinating H.B. 24 and S.B. 294 -- Substantive amendments.**

4606b **If this H.B. 24 and S.B. 294, Transportation Network Company Amendments, both pass and**

4606c **become law, it is the intent of the Legislature that the Office of Legislative Research and**

4606d **General Counsel, in preparing the Utah Code database for publication do the following:**

4606e **(1) delete Section 13-51-108 enacted in S.B. 294;**

4606f **(2) delete Subsection (1) of Section 31A-22-322 enacted in this bill and renumber remaining**

4606g **subsections accordingly and change internal cross references;**

4606h **(3) delete Subsection (14) enacted in Section 31A-22-322; and**

4606i **(4) renumber Section 31A-22-322 enacted in this bill to be Section 13-51-108. ←§**