

James A. Dunnigan proposes the following substitute bill:

Ambulance Amendments
2026 GENERAL SESSION
STATE OF UTAH

Chief Sponsor: James A. Dunnigan

Senate Sponsor:

LONG TITLE

General Description:

This bill enacts provisions relating to ambulance membership organizations.

Highlighted Provisions:

This bill:

- ▶ provides that accident and health insurance does not include an ambulance membership contract;
- ▶ enacts Title 31A, Chapter 6c, Ambulance Membership Organizations;
- ▶ defines terms;
- ▶ provides that an ambulance membership organization is exempt from certain chapters of Title 31A, Insurance;
- ▶ provides the powers and duties of the commissioner of the Insurance Department (commissioner) in relation to Title 31A, Chapter 6c, Ambulance Membership Organizations;
- ▶ provides the licensing requirements for an ambulance membership organization;
- ▶ provides the license renewal process for an ambulance membership organization;
- ▶ provides that an ambulance membership organization shall submit an annual report to the commissioner;
- ▶ provides requirements for an ambulance membership organization to maintain reserve funds and a surety bond;
- ▶ provides that an ambulance membership organization may charge a fee to a member of the ambulance membership organization;
- ▶ provides an ambulance membership organization's required disclosures to the ambulance membership organization's members;
- ▶ provides the requirements for an ambulance membership contract;
- ▶ prohibits an ambulance membership organization from selling, offering for sale, or

- 29 providing an ambulance membership contract to an individual enrolled in Medicaid;
- 30 ▸ provides the requirements for an individual who purchases an ambulance membership
- 31 contract and who subsequently enrolls in Medicaid;
- 32 ▸ enacts marketing requirements and required disclosures for an ambulance membership
- 33 organization;
- 34 ▸ authorizes the commissioner to revoke or suspend an ambulance membership
- 35 organization's license;
- 36 ▸ provides for penalties related to a violation of Title 31A, Chapter 6c, Ambulance
- 37 Membership Organizations; and
- 38 ▸ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

31A-1-301, as last amended by Laws of Utah 2024, Chapter 120

ENACTS:

31A-6c-101, Utah Code Annotated 1953

31A-6c-102, Utah Code Annotated 1953

31A-6c-103, Utah Code Annotated 1953

31A-6c-201, Utah Code Annotated 1953

31A-6c-202, Utah Code Annotated 1953

31A-6c-301, Utah Code Annotated 1953

31A-6c-302, Utah Code Annotated 1953

31A-6c-303, Utah Code Annotated 1953

31A-6c-304, Utah Code Annotated 1953

31A-6c-401, Utah Code Annotated 1953

31A-6c-402, Utah Code Annotated 1953

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

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

31A-1-301 . Definitions.

As used in this title, unless otherwise specified:

- 63 (1)(a) "Accident and health insurance" means insurance to provide protection against
64 economic losses resulting from:
- 65 (i) a medical condition including:
 - 66 (A) a medical care expense; or
 - 67 (B) the risk of disability;
 - 68 (ii) accident; or
 - 69 (iii) sickness.
- 70 (b) "Accident and health insurance":
- 71 (i) includes a contract with disability contingencies including:
 - 72 (A) an income replacement contract;
 - 73 (B) a health care contract;
 - 74 (C) a fixed indemnity contract;
 - 75 (D) a credit accident and health contract;
 - 76 (E) a continuing care contract; and
 - 77 (F) a long-term care contract; and
 - 78 (ii) may provide:
 - 79 (A) hospital coverage;
 - 80 (B) surgical coverage;
 - 81 (C) medical coverage;
 - 82 (D) loss of income coverage;
 - 83 (E) prescription drug coverage;
 - 84 (F) dental coverage; or
 - 85 (G) vision coverage.
- 86 (c) "Accident and health insurance" does not include:
- 87 (i) [-]workers' compensation insurance[-] ; or
 - 88 (ii) an ambulance membership contract.
- 89 (d) For purposes of a national licensing registry, "accident and health insurance" is the
90 same as "accident and health or sickness insurance."
- 91 (2) "Actuary" is as defined by the commissioner by rule, made in accordance with Title
92 63G, Chapter 3, Utah Administrative Rulemaking Act.
- 93 (3) "Administrator" means the same as that term is defined in Subsection (187).
- 94 (4) "Adult" means an individual who is 18 years old or older.
- 95 (5) "Affiliate" means a person who controls, is controlled by, or is under common control
96 with, another person. A corporation is an affiliate of another corporation, regardless of

- 97 ownership, if substantially the same group of individuals manage the corporations.
- 98 (6) "Agency" means:
- 99 (a) a person other than an individual, including a sole proprietorship by which an
100 individual does business under an assumed name; and
- 101 (b) an insurance organization licensed or required to be licensed under Section
102 31A-23a-301, 31A-25-207, or 31A-26-209.
- 103 (7) "Alien insurer" means an insurer domiciled outside the United States.
- 104 (8) "Amendment" means an endorsement to an insurance policy or certificate.
- 105 (9) "Annuity" means an agreement to make periodical payments for a period certain or over
106 the lifetime of one or more individuals if the making or continuance of all or some of the
107 series of the payments, or the amount of the payment, is dependent upon the continuance
108 of human life.
- 109 (10) "Application" means a document:
- 110 (a)(i) completed by an applicant to provide information about the risk to be insured;
111 and
- 112 (ii) that contains information that is used by the insurer to evaluate risk and decide
113 whether to:
- 114 (A) insure the risk under:
- 115 (I) the coverage as originally offered; or
116 (II) a modification of the coverage as originally offered; or
- 117 (B) decline to insure the risk; or
- 118 (b) used by the insurer to gather information from the applicant before issuance of an
119 annuity contract.
- 120 (11) "Articles" or "articles of incorporation" means:
- 121 (a) the original articles;
122 (b) a special law;
123 (c) a charter;
124 (d) an amendment;
125 (e) restated articles;
126 (f) articles of merger or consolidation;
127 (g) a trust instrument;
128 (h) another constitutive document for a trust or other entity that is not a corporation; and
129 (i) an amendment to an item listed in Subsections (11)(a) through (h).
- 130 (12) "Bail bond insurance" means a guarantee that a person will attend court when required,

- 131 up to and including surrender of the person in execution of a sentence imposed under
132 Subsection 77-20-501(1), as a condition to the release of that person from confinement.
- 133 (13) "Binder" means the same as that term is defined in Section 31A-21-102.
- 134 (14) "Blanket insurance policy" or "blanket contract" means a group insurance policy
135 covering a defined class of persons:
136 (a) without individual underwriting or application; and
137 (b) that is determined by definition without designating each person covered.
- 138 (15) "Board," "board of trustees," or "board of directors" means the group of persons with
139 responsibility over, or management of, a corporation, however designated.
- 140 (16) "Bona fide office" means a physical office in this state:
141 (a) that is open to the public;
142 (b) that is staffed during regular business hours on regular business days; and
143 (c) at which the public may appear in person to obtain services.
- 144 (17) "Business entity" means:
145 (a) a corporation;
146 (b) an association;
147 (c) a partnership;
148 (d) a limited liability company;
149 (e) a limited liability partnership; or
150 (f) another legal entity.
- 151 (18) "Business of insurance" means the same as that term is defined in Subsection (98).
- 152 (19) "Business plan" means the information required to be supplied to the commissioner
153 under Subsections 31A-5-204(2)(i) and (j), including the information required when
154 these subsections apply by reference under:
155 (a) Section 31A-8-205; or
156 (b) Subsection 31A-9-205(2).
- 157 (20)(a) "Bylaws" means the rules adopted for the regulation or management of a
158 corporation's affairs, however designated.
159 (b) "Bylaws" includes comparable rules for a trust or other entity that is not a
160 corporation.
- 161 (21) "Captive insurance company" means:
162 (a) an insurer:
163 (i) owned by a parent organization; and
164 (ii) whose purpose is to insure risks of the parent organization and other risks as

- 165 authorized under:
- 166 (A) Chapter 37, Captive Insurance Companies Act; and
- 167 (B) Chapter 37a, Special Purpose Financial Captive Insurance Company Act; or
- 168 (b) in the case of a group or association, an insurer:
- 169 (i) owned by the insureds; and
- 170 (ii) whose purpose is to insure risks of:
- 171 (A) a member organization;
- 172 (B) a group member; or
- 173 (C) an affiliate of:
- 174 (I) a member organization; or
- 175 (II) a group member.
- 176 (22) "Casualty insurance" means liability insurance.
- 177 (23) "Certificate" means evidence of insurance given to:
- 178 (a) an insured under a group insurance policy; or
- 179 (b) a third party.
- 180 (24) "Certificate of authority" is included within the term "license."
- 181 (25) "Claim," unless the context otherwise requires, means a request or demand on an
- 182 insurer for payment of a benefit according to the terms of an insurance policy.
- 183 (26) "Claims-made coverage" means an insurance contract or provision limiting coverage
- 184 under a policy insuring against legal liability to claims that are first made against the
- 185 insured while the policy is in force.
- 186 (27)(a) "Commissioner" or "commissioner of insurance" means Utah's insurance
- 187 commissioner.
- 188 (b) When appropriate, the terms listed in Subsection (27)(a) apply to the equivalent
- 189 supervisory official of another jurisdiction.
- 190 (28)(a) "Continuing care insurance" means insurance that:
- 191 (i) provides board and lodging;
- 192 (ii) provides one or more of the following:
- 193 (A) a personal service;
- 194 (B) a nursing service;
- 195 (C) a medical service; or
- 196 (D) any other health-related service; and
- 197 (iii) provides the coverage described in this Subsection (28)(a) under an agreement
- 198 effective:

- 199 (A) for the life of the insured; or
200 (B) for a period in excess of one year.
- 201 (b) Insurance is continuing care insurance regardless of whether [~~or not~~]the board and
202 lodging are provided at the same location as a service described in Subsection
203 (28)(a)(ii).
- 204 (29)(a) "Control," "controlling," "controlled," or "under common control" means the
205 direct or indirect possession of the power to direct or cause the direction of the
206 management and policies of a person. This control may be:
- 207 (i) by contract;
208 (ii) by common management;
209 (iii) through the ownership of voting securities; or
210 (iv) by a means other than those described in Subsections (29)(a)(i) through (iii).
- 211 (b) There is no presumption that an individual holding an official position with another
212 person controls that person solely by reason of the position.
- 213 (c) A person having a contract or arrangement giving control is considered to have
214 control despite the illegality or invalidity of the contract or arrangement.
- 215 (d) There is a rebuttable presumption of control in a person who directly or indirectly
216 owns, controls, holds with the power to vote, or holds proxies to vote 10% or more of
217 the voting securities of another person.
- 218 (30) "Controlled insurer" means a licensed insurer that is either directly or indirectly
219 controlled by a producer.
- 220 (31) "Controlling person" means a person that directly or indirectly has the power to direct
221 or cause to be directed, the management, control, or activities of a reinsurance
222 intermediary.
- 223 (32) "Controlling producer" means a producer who directly or indirectly controls an insurer.
- 224 (33) "Corporate governance annual disclosure" means a report an insurer or insurance
225 group files in accordance with the requirements of Chapter 16b, Corporate Governance
226 Annual Disclosure Act.
- 227 (34)(a) "Corporation" means an insurance corporation, except when referring to:
- 228 (i) a corporation doing business:
- 229 (A) as:
- 230 (I) an insurance producer;
231 (II) a surplus lines producer;
232 (III) a limited line producer;

- 233 (IV) a consultant;
- 234 (V) a managing general agent;
- 235 (VI) a reinsurance intermediary;
- 236 (VII) a third party administrator; or
- 237 (VIII) an adjuster; and
- 238 (B) under:
- 239 (I) Chapter 23a, Insurance Marketing - Licensing Producers, Consultants, and
- 240 Reinsurance Intermediaries;
- 241 (II) Chapter 25, Third Party Administrators; or
- 242 (III) Chapter 26, Insurance Adjusters; or
- 243 (ii) a noninsurer that is part of a holding company system under Chapter 16,
- 244 Insurance Holding Companies.
- 245 (b) "Mutual" or "mutual corporation" means a mutual insurance corporation.
- 246 (c) "Stock corporation" means a stock insurance corporation.
- 247 (35)(a) "Creditable coverage" has the same meaning as provided in federal regulations
- 248 adopted ~~[pursuant to]~~ in accordance with the Health Insurance Portability and
- 249 Accountability Act.
- 250 (b) "Creditable coverage" includes coverage that is offered through a public health plan
- 251 such as:
- 252 (i) the Primary Care Network Program under a Medicaid primary care network
- 253 demonstration waiver obtained subject to Section 26B-3-108;
- 254 (ii) the Utah's Children's Health Insurance Program under Section 26B-3-904; or
- 255 (iii) the Ryan White Program Comprehensive AIDS Resources Emergency Act, Pub.
- 256 L. No. 101-381, and Ryan White HIV/AIDS Treatment Modernization Act of
- 257 2006, Pub. L. No. 109-415.
- 258 (36) "Credit accident and health insurance" means insurance on a debtor to provide
- 259 indemnity for payments coming due on a specific loan or other credit transaction while
- 260 the debtor has a disability.
- 261 (37)(a) "Credit insurance" means insurance offered in connection with an extension of
- 262 credit that is limited to partially or wholly extinguishing that credit obligation.
- 263 (b) "Credit insurance" includes:
- 264 (i) credit accident and health insurance;
- 265 (ii) credit life insurance;
- 266 (iii) credit property insurance;

- 267 (iv) credit unemployment insurance;
- 268 (v) guaranteed automobile protection insurance;
- 269 (vi) involuntary unemployment insurance;
- 270 (vii) mortgage accident and health insurance;
- 271 (viii) mortgage guaranty insurance; and
- 272 (ix) mortgage life insurance.
- 273 (38) "Credit life insurance" means insurance on the life of a debtor in connection with an
274 extension of credit that pays a person if the debtor dies.
- 275 (39) "Creditor" means a person, including an insured, having a claim, whether:
- 276 (a) matured;
- 277 (b) unmatured;
- 278 (c) liquidated;
- 279 (d) unliquidated;
- 280 (e) secured;
- 281 (f) unsecured;
- 282 (g) absolute;
- 283 (h) fixed; or
- 284 (i) contingent.
- 285 (40) "Credit property insurance" means insurance:
- 286 (a) offered in connection with an extension of credit; and
- 287 (b) that protects the property until the debt is paid.
- 288 (41) "Credit unemployment insurance" means insurance:
- 289 (a) offered in connection with an extension of credit; and
- 290 (b) that provides indemnity if the debtor is unemployed for payments coming due on a:
- 291 (i) specific loan; or
- 292 (ii) credit transaction.
- 293 (42)(a) "Crop insurance" means insurance providing protection against damage to crops
294 from unfavorable weather conditions, fire or lightning, flood, hail, insect infestation,
295 disease, or other yield-reducing conditions or perils that is:
- 296 (i) provided by the private insurance market; or
- 297 (ii) subsidized by the Federal Crop Insurance Corporation.
- 298 (b) "Crop insurance" includes multiperil crop insurance.
- 299 (43)(a) "Customer service representative" means a person that provides an insurance
300 service and insurance product information:

- 301 (i) for the customer service representative's:
302 (A) producer;
303 (B) surplus lines producer; or
304 (C) consultant employer; and
305 (ii) to the customer service representative's employer's:
306 (A) customer;
307 (B) client; or
308 (C) organization.
- 309 (b) A customer service representative may only operate within the scope of authority of
310 the customer service representative's producer, surplus lines producer, or consultant
311 employer.
- 312 (44) "Deadline" means a final date or time:
313 (a) imposed by:
314 (i) statute;
315 (ii) rule; or
316 (iii) order; and
317 (b) by which a required filing or payment must be received by the department.
- 318 (45) "Deemer clause" means a provision under this title under which upon the occurrence of
319 a condition precedent, the commissioner is considered to have taken a specific action. If
320 the statute so provides, a condition precedent may be the commissioner's failure to take a
321 specific action.
- 322 (46) "Degree of relationship" means the number of steps between two persons determined
323 by counting the generations separating one person from a common ancestor and then
324 counting the generations to the other person.
- 325 (47) "Department" means the Insurance Department.
- 326 (48)(a) "Direct response solicitation" means an offer for life or accident and health
327 insurance coverage that allows the individual to apply for or enroll in the insurance
328 coverage on the basis of the offer.
- 329 (b) "Direct response solicitation" does not include an offer for:
330 (i) insurance through an employee benefit plan that is exempt from state regulation
331 under federal law; or
332 (ii) credit life insurance or credit accident and health insurance through a individual's
333 creditor.
- 334 (49) "Direct response insurance policy" means an insurance policy solicited and sold

- 335 without the policyholder having direct contact with a natural person intermediary.
- 336 (50) "Director" means a member of the board of directors of a corporation.
- 337 (51) "Disability" means a physiological or psychological condition that partially or totally
- 338 limits an individual's ability to:
- 339 (a) perform the duties of:
- 340 (i) that individual's occupation; or
- 341 (ii) an occupation for which the individual is reasonably suited by education, training,
- 342 or experience; or
- 343 (b) perform two or more of the following basic activities of daily living:
- 344 (i) eating;
- 345 (ii) toileting;
- 346 (iii) transferring;
- 347 (iv) bathing; or
- 348 (v) dressing.
- 349 (52) "Disability income insurance" means the same as that term is defined in Subsection
- 350 (89).
- 351 (53) "Domestic insurer" means an insurer organized under the laws of this state.
- 352 (54) "Domiciliary state" means the state in which an insurer:
- 353 (a) is incorporated;
- 354 (b) is organized; or
- 355 (c) in the case of an alien insurer, enters into the United States.
- 356 (55)(a) "Eligible employee" means:
- 357 (i) an employee who:
- 358 (A) works on a full-time basis; and
- 359 (B) has a normal work week of 30 or more hours; or
- 360 (ii) a person described in Subsection (55)(b).
- 361 (b) "Eligible employee" includes:
- 362 (i) an owner, sole proprietor, or partner who:
- 363 (A) works on a full-time basis;
- 364 (B) has a normal work week of 30 or more hours; and
- 365 (C) employs at least one common employee; and
- 366 (ii) an independent contractor if the individual is included under a health benefit plan
- 367 of a small employer.
- 368 (c) "Eligible employee" does not include, unless eligible under Subsection (55)(b):

- 369 (i) an individual who works on a temporary or substitute basis for a small employer;
370 (ii) an employer's spouse who does not meet the requirements of Subsection (55)(a)(i);
371 or
372 (iii) a dependent of an employer who does not meet the requirements of Subsection
373 (55)(a)(i).

374 (56) "Emergency medical condition" means a medical condition that:

- 375 (a) manifests itself by acute symptoms, including severe pain; and
376 (b) would cause a prudent layperson possessing an average knowledge of medicine and
377 health to reasonably expect the absence of immediate medical attention through a
378 hospital emergency department to result in:
379 (i) placing the layperson's health or the layperson's unborn child's health in serious
380 jeopardy;
381 (ii) serious impairment to bodily functions; or
382 (iii) serious dysfunction of any bodily organ or part.

383 (57) "Employee" means:

- 384 (a) an individual employed by an employer; or
385 (b) an individual who meets the requirements of Subsection (55)(b).

386 (58) "Employee benefits" means one or more benefits or services provided to:

- 387 (a) an employee; or
388 (b) a dependent of an employee.

389 (59)(a) "Employee welfare fund" means a fund:

- 390 (i) established or maintained, whether directly or through a trustee, by:
391 (A) one or more employers;
392 (B) one or more labor organizations; or
393 (C) a combination of employers and labor organizations; and
394 (ii) that provides employee benefits paid or contracted to be paid, other than income
395 from investments of the fund:
396 (A) by or on behalf of an employer doing business in this state; or
397 (B) for the benefit of a person employed in this state.

398 (b) "Employee welfare fund" includes a plan funded or subsidized by a user fee or tax
399 revenues.

400 (60) "Endorsement" means a written agreement attached to a policy or certificate to modify
401 the policy or certificate coverage.

402 (61)(a) "Enrollee" means:

- 403 (i) a policyholder;
- 404 (ii) a certificate holder;
- 405 (iii) a subscriber; or
- 406 (iv) a covered individual:
- 407 (A) who has entered into a contract with an organization for health care; or
- 408 (B) on whose behalf an arrangement for health care has been made.
- 409 (b) "Enrollee" includes an insured.
- 410 (62) "Enrollment date," with respect to a health benefit plan, means:
- 411 (a) the first day of coverage; or
- 412 (b) if there is a waiting period, the first day of the waiting period.
- 413 (63) "Enterprise risk" means an activity, circumstance, event, or series of events involving
- 414 one or more affiliates of an insurer that, if not remedied promptly, is likely to have a
- 415 material adverse effect upon the financial condition or liquidity of the insurer or [its] the
- 416 insurer's insurance holding company system as a whole, including anything that would
- 417 cause:
- 418 (a) the insurer's risk-based capital to fall into an action or control level as set forth in
- 419 Sections 31A-17-601 through 31A-17-613; or
- 420 (b) the insurer to be in hazardous financial condition set forth in Section 31A-27a-101.
- 421 (64)(a) "Escrow" means:
- 422 (i) a transaction that effects the sale, transfer, encumbering, or leasing of real
- 423 property, when a person not a party to the transaction, and neither having nor
- 424 acquiring an interest in the title, performs, in accordance with the written
- 425 instructions or terms of the written agreement between the parties to the
- 426 transaction, any of the following actions:
- 427 (A) the explanation, holding, or creation of a document; or
- 428 (B) the receipt, deposit, and disbursement of money; or
- 429 (ii) a settlement or closing involving:
- 430 (A) a mobile home;
- 431 (B) a grazing right;
- 432 (C) a water right; or
- 433 (D) other personal property authorized by the commissioner.
- 434 (b) "Escrow" does not include:
- 435 (i) the following notarial acts performed by a notary within the state:
- 436 (A) an acknowledgment;

- 437 (B) a copy certification;
- 438 (C) jurat; and
- 439 (D) an oath or affirmation;
- 440 (ii) the receipt or delivery of a document; or
- 441 (iii) the receipt of money for delivery to the escrow agent.
- 442 (65) "Escrow agent" means an agency title insurance producer meeting the requirements of
- 443 Sections 31A-4-107, 31A-14-211, and 31A-23a-204, who is acting through an
- 444 individual title insurance producer licensed with an escrow subline of authority.
- 445 (66)(a) "Excludes" is not exhaustive and does not mean that another thing is not also
- 446 excluded.
- 447 (b) The items listed in a list using the term "excludes" are representative examples for
- 448 use in interpretation of this title.
- 449 (67) "Exclusion" means for the purposes of accident and health insurance that an insurer
- 450 does not provide insurance coverage, for whatever reason, for one of the following:
- 451 (a) a specific physical condition;
- 452 (b) a specific medical procedure;
- 453 (c) a specific disease or disorder; or
- 454 (d) a specific prescription drug or class of prescription drugs.
- 455 (68) "Fidelity insurance" means insurance guaranteeing the fidelity of a person holding a
- 456 position of public or private trust.
- 457 (69)(a) "Filed" means that a filing is:
- 458 (i) submitted to the department as required by and in accordance with applicable
- 459 statute, rule, or filing order;
- 460 (ii) received by the department within the time period provided in applicable statute,
- 461 rule, or filing order; and
- 462 (iii) accompanied by the appropriate fee in accordance with:
- 463 (A) Section 31A-3-103; or
- 464 (B) rule.
- 465 (b) "Filed" does not include a filing that is rejected by the department because it is not
- 466 submitted in accordance with Subsection (69)(a).
- 467 (70) "Filing," when used as a noun, means an item required to be filed with the department
- 468 including:
- 469 (a) a policy;
- 470 (b) a rate;

- 471 (c) a form;
- 472 (d) a document;
- 473 (e) a plan;
- 474 (f) a manual;
- 475 (g) an application;
- 476 (h) a report;
- 477 (i) a certificate;
- 478 (j) an endorsement;
- 479 (k) an actuarial certification;
- 480 (l) a licensee annual statement;
- 481 (m) a licensee renewal application;
- 482 (n) an advertisement;
- 483 (o) a binder; or
- 484 (p) an outline of coverage.

485 (71) "First party insurance" means an insurance policy or contract in which the insurer
486 agrees to pay a claim submitted to it by the insured for the insured's losses.

487 (72)(a) "Fixed indemnity insurance" means accident and health insurance written to
488 provide a fixed amount for a specified event relating to or resulting from an illness or
489 injury.

490 (b) "Fixed indemnity insurance" includes hospital confinement indemnity insurance.

491 (73) "Foreign insurer" means an insurer domiciled outside of this state, including an alien
492 insurer.

493 (74)(a) "Form" means one of the following prepared for general use:

- 494 (i) a policy;
- 495 (ii) a certificate;
- 496 (iii) an application;
- 497 (iv) an outline of coverage; or
- 498 (v) an endorsement.

499 (b) "Form" does not include a document specially prepared for use in an individual case.

500 (75) "Franchise insurance" means an individual insurance policy provided through a mass
501 marketing arrangement involving a defined class of persons related in some way other
502 than through the purchase of insurance.

503 (76) "General lines of authority" include:

- 504 (a) the general lines of insurance in Subsection (77);

- 505 (b) title insurance under one of the following sublines of authority:
- 506 (i) title examination, including authority to act as a title marketing representative;
- 507 (ii) escrow, including authority to act as a title marketing representative; and
- 508 (iii) title marketing representative only;
- 509 (c) surplus lines;
- 510 (d) workers' compensation; and
- 511 (e) another line of insurance that the commissioner considers necessary to recognize in
- 512 the public interest.
- 513 (77) "General lines of insurance" include:
- 514 (a) accident and health;
- 515 (b) casualty;
- 516 (c) life;
- 517 (d) personal lines;
- 518 (e) property; and
- 519 (f) variable contracts, including variable life and annuity.
- 520 (78) "Group health plan" means an employee welfare benefit plan to the extent that the plan
- 521 provides medical care:
- 522 (a)(i) to an employee; or
- 523 (ii) to a dependent of an employee; and
- 524 (b)(i) directly;
- 525 (ii) through insurance reimbursement; or
- 526 (iii) through another method.
- 527 (79)(a) "Group insurance policy" means a policy covering a group of persons that is
- 528 issued:
- 529 (i) to a policyholder on behalf of the group; and
- 530 (ii) for the benefit of a member of the group who is selected under a procedure
- 531 defined in:
- 532 (A) the policy; or
- 533 (B) an agreement that is collateral to the policy.
- 534 (b) A group insurance policy may include a member of the policyholder's family or a
- 535 dependent.
- 536 (80) "Group-wide supervisor" means the commissioner or other regulatory official
- 537 designated as the group-wide supervisor for an internationally active insurance group
- 538 under Section 31A-16-108.6.

- 539 (81) "Guaranteed automobile protection insurance" means insurance offered in connection
540 with an extension of credit that pays the difference in amount between the insurance
541 settlement and the balance of the loan if the insured automobile is a total loss.
- 542 (82)(a) "Health benefit plan" means a policy, contract, certificate, or agreement offered
543 or issued by an insurer to provide, deliver, arrange for, pay for, or reimburse any of
544 the costs of health care, including major medical expense coverage.
- 545 (b) "Health benefit plan" does not include:
- 546 (i) coverage only for accident or disability income insurance, or any combination
547 thereof;
 - 548 (ii) coverage issued as a supplement to liability insurance;
 - 549 (iii) liability insurance, including general liability insurance and automobile liability
550 insurance;
 - 551 (iv) workers' compensation or similar insurance;
 - 552 (v) automobile medical payment insurance;
 - 553 (vi) credit-only insurance;
 - 554 (vii) coverage for on-site medical clinics;
 - 555 (viii) other similar insurance coverage, specified in federal regulations issued [
556 ~~pursuant to~~] in accordance with Pub. L. No. 104-191, under which benefits for
557 health care services are secondary or incidental to other insurance benefits;
 - 558 (ix) the following benefits if they are provided under a separate policy, certificate, or
559 contract of insurance or are otherwise not an integral part of the plan:
 - 560 (A) limited scope dental or vision benefits;
 - 561 (B) benefits for long-term care, nursing home care, home health care,
562 community-based care, or any combination thereof; or
 - 563 (C) other similar limited benefits, specified in federal regulations issued pursuant
564 to Pub. L. No. 104-191;
 - 565 (x) the following benefits if the benefits are provided under a separate policy,
566 certificate, or contract of insurance, there is no coordination between the provision
567 of benefits and any exclusion of benefits under any health plan, and the benefits
568 are paid with respect to an event without regard to whether benefits are provided
569 under any health plan:
 - 570 (A) coverage only for specified disease or illness; or
 - 571 (B) fixed indemnity insurance;
 - 572 (xi) the following if offered as a separate policy, certificate, or contract of insurance:

- 573 (A) Medicare supplement insurance;
- 574 (B) coverage supplemental to the coverage provided under United States Code,
575 Title 10, Chapter 55, Civilian Health and Medical Program of the Uniformed Services
576 (CHAMPUS); or
- 577 (C) similar supplemental coverage provided to coverage under a group health
578 insurance plan;
- 579 (xii) short-term limited duration health insurance; and
- 580 (xiii) student health insurance, except as required under 45 C.F.R. Sec. 147.145.
- 581 (83) "Health care" means any of the following intended for use in the diagnosis, treatment,
582 mitigation, or prevention of a human ailment or impairment:
- 583 (a) a professional service;
- 584 (b) a personal service;
- 585 (c) a facility;
- 586 (d) equipment;
- 587 (e) a device;
- 588 (f) supplies; or
- 589 (g) medicine.
- 590 (84)(a) "Health care insurance" or "health insurance" means insurance providing:
- 591 (i) a health care benefit; or
- 592 (ii) payment of an incurred health care expense.
- 593 (b) "Health care insurance" or "health insurance" does not include accident and health
594 insurance providing a benefit for:
- 595 (i) replacement of income;
- 596 (ii) short-term accident;
- 597 (iii) fixed indemnity;
- 598 (iv) credit accident and health;
- 599 (v) supplements to liability;
- 600 (vi) workers' compensation;
- 601 (vii) automobile medical payment;
- 602 (viii) no-fault automobile;
- 603 (ix) equivalent self-insurance; or
- 604 (x) a type of accident and health insurance coverage that is a part of or attached to
605 another type of policy.
- 606 (85) "Health care provider" means the same as that term is defined in Section 78B-3-403.

- 607 (86) "Health care sharing ministry" means an entity that:
- 608 (a) is a tax-exempt nonprofit entity under the Internal Revenue Code;
- 609 (b) limits participants to those who are of a similar faith;
- 610 (c) facilitates the sharing of a participant's qualified expenses, as defined by the entity,
- 611 among other participants by:
- 612 (i) matching a participant who has qualified expenses with one or more participants
- 613 who are able to contribute to paying for the qualified expenses; and
- 614 (ii) arranging, directly or indirectly, for each contributing participant's contribution to
- 615 be used to pay for the qualified expenses;
- 616 (d) requires an individual to make one or more minimum payments or contributions as a
- 617 condition of one or more of the following:
- 618 (i) becoming a participant;
- 619 (ii) remaining a participant; or
- 620 (iii) receiving a contribution to pay qualified expenses; and
- 621 (e) in carrying out the functions described in this Subsection (86), makes no assumption
- 622 of risk or promise to pay any qualified expenses.
- 623 (87) "Health insurance exchange" means an exchange as defined in 45 C.F.R. Sec. 155.20.
- 624 (88) "Health Insurance Portability and Accountability Act" means the Health Insurance
- 625 Portability and Accountability Act of 1996, Pub. L. No. 104-191, 110 Stat. 1936, as
- 626 amended.
- 627 (89) "Income replacement insurance" or "disability income insurance" means insurance
- 628 written to provide payments to replace income lost from accident or sickness.
- 629 (90) "Indemnity" means the payment of an amount to offset all or part of an insured loss.
- 630 (91) "Independent adjuster" means an insurance adjuster required to be licensed under
- 631 Section 31A-26-201 who engages in insurance adjusting as a representative of an insurer.
- 632 (92) "Independently procured insurance" means insurance procured under Section
- 633 31A-15-104.
- 634 (93) "Individual" means a natural person.
- 635 (94) "Inland marine insurance" includes insurance covering:
- 636 (a) property in transit on or over land;
- 637 (b) property in transit over water by means other than boat or ship;
- 638 (c) bailee liability;
- 639 (d) fixed transportation property such as bridges, electric transmission systems, radio
- 640 and television transmission towers and tunnels; and

- 641 (e) personal and commercial property floaters.
- 642 (95) "Insolvency" or "insolvent" means that:
- 643 (a) an insurer is unable to pay the insurer's obligations as the obligations are due;
- 644 (b) an insurer's total adjusted capital is less than the insurer's mandatory control level
- 645 RBC under Subsection 31A-17-601(8)(c); or
- 646 (c) an insurer's admitted assets are less than the insurer's liabilities.
- 647 (96)(a) "Insurance" means:
- 648 (i) an arrangement, contract, or plan for the transfer of a risk or risks from one or
- 649 more persons to one or more other persons; or
- 650 (ii) an arrangement, contract, or plan for the distribution of a risk or risks among a
- 651 group of persons that includes the person seeking to distribute that person's risk.
- 652 (b) "Insurance" includes:
- 653 (i) a risk distributing arrangement providing for compensation or replacement for
- 654 damages or loss through the provision of a service or a benefit in kind;
- 655 (ii) a contract of guaranty or suretyship entered into by the guarantor or surety as a
- 656 business and not as merely incidental to a business transaction; and
- 657 (iii) a plan in which the risk does not rest upon the person who makes an
- 658 arrangement, but with a class of persons who have agreed to share the risk.
- 659 (97) "Insurance adjuster" means a person who directs or conducts the investigation,
- 660 negotiation, or settlement of a claim under an insurance policy other than life insurance
- 661 or an annuity, on behalf of an insurer, policyholder, or a claimant under an insurance
- 662 policy.
- 663 (98) "Insurance business" or "business of insurance" includes:
- 664 (a) providing health care insurance by an organization that is or is required to be
- 665 licensed under this title;
- 666 (b) providing a benefit to an employee in the event of a contingency not within the
- 667 control of the employee, in which the employee is entitled to the benefit as a right,
- 668 which benefit may be provided either:
- 669 (i) by a single employer or by multiple employer groups; or
- 670 (ii) through one or more trusts, associations, or other entities;
- 671 (c) providing an annuity:
- 672 (i) including an annuity issued in return for a gift; and
- 673 (ii) except an annuity provided by a person specified in Subsections 31A-22-1305(2)
- 674 and (3);

- 675 (d) providing the characteristic services of a motor club;
- 676 (e) providing another person with insurance;
- 677 (f) making as insurer, guarantor, or surety, or proposing to make as insurer, guarantor, or
- 678 surety, a contract or policy offering title insurance;
- 679 (g) transacting or proposing to transact any phase of title insurance, including:
- 680 (i) solicitation;
- 681 (ii) negotiation preliminary to execution;
- 682 (iii) execution of a contract of title insurance;
- 683 (iv) insuring; and
- 684 (v) transacting matters [~~subsequent to~~] after the execution of the contract and arising
- 685 out of the contract, including reinsurance;
- 686 (h) transacting or proposing a life settlement; and
- 687 (i) doing, or proposing to do, any business in substance equivalent to Subsections (98)(a)
- 688 through (h) in a manner designed to evade this title.
- 689 (99) "Insurance consultant" or "consultant" means a person who:
- 690 (a) advises another person about insurance needs and coverages;
- 691 (b) is compensated by the person advised on a basis not directly related to the insurance
- 692 placed; and
- 693 (c) except as provided in Section 31A-23a-501, is not compensated directly or indirectly
- 694 by an insurer or producer for advice given.
- 695 (100) "Insurance group" means the persons that comprise an insurance holding company
- 696 system.
- 697 (101) "Insurance holding company system" means a group of two or more affiliated
- 698 persons, at least one of whom is an insurer.
- 699 (102)(a) "Insurance producer" or "producer" means a person licensed or required to be
- 700 licensed under the laws of this state to sell, solicit, or negotiate insurance.
- 701 (b)(i) "Producer for the insurer" means a producer who is compensated directly or
- 702 indirectly by an insurer for selling, soliciting, or negotiating an insurance product
- 703 of that insurer.
- 704 (ii) "Producer for the insurer" may be referred to as an "agent."
- 705 (c)(i) "Producer for the insured" means a producer who:
- 706 (A) is compensated directly and only by an insurance customer or an insured; and
- 707 (B) receives no compensation directly or indirectly from an insurer for selling,
- 708 soliciting, or negotiating an insurance product of that insurer to an insurance

- 709 customer or insured.
- 710 (ii) "Producer for the insured" may be referred to as a "broker."
- 711 (103)(a) "Insured" means a person to whom or for whose benefit an insurer makes a
712 promise in an insurance policy and includes:
- 713 (i) a policyholder;
- 714 (ii) a subscriber;
- 715 (iii) a member; and
- 716 (iv) a beneficiary.
- 717 (b) The definition in Subsection (103)(a):
- 718 (i) applies only to this title;
- 719 (ii) does not define the meaning of "insured" as used in an insurance policy or
720 certificate; and
- 721 (iii) includes an enrollee.
- 722 (104)(a) "Insurer," "carrier," "insurance carrier," or "insurance company" means a
723 person doing an insurance business as a principal including:
- 724 (i) a fraternal benefit society;
- 725 (ii) an issuer of a gift annuity other than an annuity specified in Subsections
726 31A-22-1305(2) and (3);
- 727 (iii) a motor club;
- 728 (iv) an employee welfare plan;
- 729 (v) a person purporting or intending to do an insurance business as a principal on that
730 person's own account; and
- 731 (vi) a health maintenance organization.
- 732 (b) "Insurer," "carrier," "insurance carrier," or "insurance company" does not include a
733 governmental entity.
- 734 (105) "Interinsurance exchange" means the same as that term is defined in Subsection (168).
- 735 (106) "Internationally active insurance group" means an insurance holding company system:
- 736 (a) that includes an insurer registered under Section 31A-16-105;
- 737 (b) that has premiums written in at least three countries;
- 738 (c) whose percentage of gross premiums written outside the United States is at least 10%
739 of [its] the insurance holding company system's total gross written premiums; and
- 740 (d) that, based on a three-year rolling average, has:
- 741 (i) total assets of at least \$50,000,000,000; or
- 742 (ii) total gross written premiums of at least \$10,000,000,000.

- 743 (107) "Involuntary unemployment insurance" means insurance:
744 (a) offered in connection with an extension of credit; and
745 (b) that provides indemnity if the debtor is involuntarily unemployed for payments
746 coming due on a:
747 (i) specific loan; or
748 (ii) credit transaction.
- 749 (108) "Large employer," in connection with a health benefit plan, means an employer who,
750 with respect to a calendar year and to a plan year:
751 (a) employed an average of at least 51 employees on business days during the preceding
752 calendar year; and
753 (b) employs at least one employee on the first day of the plan year.
- 754 (109) "Late enrollee," with respect to an employer health benefit plan, means an individual
755 whose enrollment is a late enrollment.
- 756 (110) "Late enrollment," with respect to an employer health benefit plan, means enrollment
757 of an individual other than:
758 (a) on the earliest date on which coverage can become effective for the individual under
759 the terms of the plan; or
760 (b) through special enrollment.
- 761 (111)(a) Except for a retainer contract or legal assistance described in Section 31A-1-103,
762 "legal expense insurance" means insurance written to indemnify or pay for a
763 specified legal expense.
764 (b) "Legal expense insurance" includes an arrangement that creates a reasonable
765 expectation of an enforceable right.
766 (c) "Legal expense insurance" does not include the provision of, or reimbursement for,
767 legal services incidental to other insurance coverage.
- 768 (112)(a) "Liability insurance" means insurance against liability:
769 (i) for death, injury, or disability of a human being, or for damage to property,
770 exclusive of the coverages under:
771 (A) medical malpractice insurance;
772 (B) professional liability insurance; and
773 (C) workers' compensation insurance;
774 (ii) for a medical, hospital, surgical, and funeral benefit to a person other than the
775 insured who is injured, irrespective of legal liability of the insured, when issued
776 with or supplemental to insurance against legal liability for the death, injury, or

- 777 disability of a human being, exclusive of the coverages under:
- 778 (A) medical malpractice insurance;
- 779 (B) professional liability insurance; and
- 780 (C) workers' compensation insurance;
- 781 (iii) for loss or damage to property resulting from an accident to or explosion of a
- 782 boiler, pipe, pressure container, machinery, or apparatus;
- 783 (iv) for loss or damage to property caused by:
- 784 (A) the breakage or leakage of a sprinkler, water pipe, or water container; or
- 785 (B) water entering through a leak or opening in a building; or
- 786 (v) for other loss or damage properly the subject of insurance not within another kind
- 787 of insurance as defined in this chapter, if the insurance is not contrary to law or
- 788 public policy.
- 789 (b) "Liability insurance" includes:
- 790 (i) vehicle liability insurance;
- 791 (ii) residential dwelling liability insurance; and
- 792 (iii) making inspection of, and issuing a certificate of inspection upon, an elevator,
- 793 boiler, machinery, or apparatus of any kind when done in connection with
- 794 insurance on the elevator, boiler, machinery, or apparatus.
- 795 (113)(a) "License" means authorization issued by the commissioner to engage in an
- 796 activity that is part of or related to the insurance business.
- 797 (b) "License" includes a certificate of authority issued to an insurer.
- 798 (114)(a) "Life insurance" means:
- 799 (i) insurance on a human life; and
- 800 (ii) insurance pertaining to or connected with human life.
- 801 (b) The business of life insurance includes:
- 802 (i) granting a death benefit;
- 803 (ii) granting an annuity benefit;
- 804 (iii) granting an endowment benefit;
- 805 (iv) granting an additional benefit in the event of death by accident;
- 806 (v) granting an additional benefit to safeguard the policy against lapse; and
- 807 (vi) providing an optional method of settlement of proceeds.
- 808 (115) "Limited license" means a license that:
- 809 (a) is issued for a specific product of insurance; and
- 810 (b) limits an individual or agency to transact only for that product or insurance.

- 811 (116) "Limited line credit insurance" includes the following forms of insurance:
- 812 (a) credit life;
- 813 (b) credit accident and health;
- 814 (c) credit property;
- 815 (d) credit unemployment;
- 816 (e) involuntary unemployment;
- 817 (f) mortgage life;
- 818 (g) mortgage guaranty;
- 819 (h) mortgage accident and health;
- 820 (i) guaranteed automobile protection; and
- 821 (j) another form of insurance offered in connection with an extension of credit that:
- 822 (i) is limited to partially or wholly extinguishing the credit obligation; and
- 823 (ii) the commissioner determines by rule should be designated as a form of limited
- 824 line credit insurance.
- 825 (117) "Limited line credit insurance producer" means a person who sells, solicits, or
- 826 negotiates one or more forms of limited line credit insurance coverage to an individual
- 827 through a master, corporate, group, or individual policy.
- 828 (118) "Limited line insurance" includes:
- 829 (a) bail bond;
- 830 (b) limited line credit insurance;
- 831 (c) legal expense insurance;
- 832 (d) motor club insurance;
- 833 (e) car rental related insurance;
- 834 (f) travel insurance;
- 835 (g) crop insurance;
- 836 (h) self-service storage insurance;
- 837 (i) guaranteed asset protection waiver;
- 838 (j) portable electronics insurance; and
- 839 (k) another form of limited insurance that the commissioner determines by rule should
- 840 be designated a form of limited line insurance.
- 841 (119) "Limited lines authority" includes the lines of insurance listed in Subsection (118).
- 842 (120) "Limited lines producer" means a person who sells, solicits, or negotiates limited
- 843 lines insurance.
- 844 (121)(a) "Long-term care insurance" means an insurance policy or rider advertised,

- 845 marketed, offered, or designated to provide coverage:
- 846 (i) in a setting other than an acute care unit of a hospital;
- 847 (ii) for not less than 12 consecutive months for a covered person on the basis of:
- 848 (A) expenses incurred;
- 849 (B) indemnity;
- 850 (C) prepayment; or
- 851 (D) another method;
- 852 (iii) for one or more necessary or medically necessary services that are:
- 853 (A) diagnostic;
- 854 (B) preventative;
- 855 (C) therapeutic;
- 856 (D) rehabilitative;
- 857 (E) maintenance; or
- 858 (F) personal care; and
- 859 (iv) that may be issued by:
- 860 (A) an insurer;
- 861 (B) a fraternal benefit society;
- 862 (C)(I) a nonprofit health hospital; and
- 863 (II) a medical service corporation;
- 864 (D) a prepaid health plan;
- 865 (E) a health maintenance organization; or
- 866 (F) an entity similar to the entities described in Subsections (121)(a)(iv)(A)
- 867 through (E) to the extent that the entity is otherwise authorized to issue life or
- 868 health care insurance.
- 869 (b) "Long-term care insurance" includes:
- 870 (i) any of the following that provide directly or supplement long-term care insurance:
- 871 (A) a group or individual annuity or rider; or
- 872 (B) a life insurance policy or rider;
- 873 (ii) a policy or rider that provides for payment of benefits on the basis of:
- 874 (A) cognitive impairment; or
- 875 (B) functional capacity; or
- 876 (iii) a qualified long-term care insurance contract.
- 877 (c) "Long-term care insurance" does not include:
- 878 (i) a policy that is offered primarily to provide basic Medicare supplement insurance;

- 879 (ii) basic hospital expense coverage;
- 880 (iii) basic medical/surgical expense coverage;
- 881 (iv) hospital confinement indemnity coverage;
- 882 (v) major medical expense coverage;
- 883 (vi) income replacement or related asset-protection coverage;
- 884 (vii) accident only coverage;
- 885 (viii) coverage for a specified:
- 886 (A) disease; or
- 887 (B) accident;
- 888 (ix) limited benefit health coverage;
- 889 (x) a life insurance policy that accelerates the death benefit to provide the option of a
- 890 lump sum payment:
- 891 (A) if the following are not conditioned on the receipt of long-term care:
- 892 (I) benefits; or
- 893 (II) eligibility; and
- 894 (B) the coverage is for one or more the following qualifying events:
- 895 (I) terminal illness;
- 896 (II) medical conditions requiring extraordinary medical intervention; or
- 897 (III) permanent institutional confinement; or
- 898 (xi) limited long-term care as defined in Section 31A-22-2002.
- 899 (122) "Managed care organization" means a person:
- 900 (a) licensed as a health maintenance organization under Chapter 8, Health Maintenance
- 901 Organizations and Limited Health Plans; or
- 902 (b)(i) licensed under:
- 903 (A) Chapter 5, Domestic Stock and Mutual Insurance Corporations;
- 904 (B) Chapter 7, Nonprofit Health Service Insurance Corporations; or
- 905 (C) Chapter 14, Foreign Insurers; and
- 906 (ii) that requires an enrollee to use, or offers incentives, including financial
- 907 incentives, for an enrollee to use, network providers.
- 908 (123) "Medical malpractice insurance" means insurance against legal liability incident to
- 909 the practice and provision of a medical service other than the practice and provision of a
- 910 dental service.
- 911 (124) "Medicare" means the "Health Insurance for the Aged Act," Title XVIII of the federal
- 912 Social Security Act, as then constituted or later amended.

- 913 (125)(a) "Medicare supplement insurance" means health insurance coverage that is
914 advertised, marketed, or designed primarily as a supplement to reimbursements under
915 Medicare for the hospital, medical, or surgical expenses of individuals eligible for
916 Medicare.
- 917 (b) "Medicare supplement insurance" does not include:
- 918 (i) a policy issued pursuant to a contract under Section 1876 of the federal Social
919 Security Act;
- 920 (ii) a policy issued under a demonstration project specified in 42 U.S.C. Sec.
921 1395ss(g)(1);
- 922 (iii) a Medicare Advantage plan established under Medicare Part C;
- 923 (iv) an outpatient prescription drug plan established under Medicare Part D; or
- 924 (v) any health care prepayment plan that provides benefits [~~pursuant to~~] in accordance
925 with an agreement under Section 1833(a)(1)(A) of the Social Security Act.
- 926 (126) "Member" means a person having membership rights in an insurance corporation.
- 927 (127) "Minimum capital" or "minimum required capital" means the capital that must be
928 constantly maintained by a stock insurance corporation as required by statute.
- 929 (128) "Mortgage accident and health insurance" means insurance offered in connection
930 with an extension of credit that provides indemnity for payments coming due on a
931 mortgage while the debtor has a disability.
- 932 (129) "Mortgage guaranty insurance" means surety insurance under which a mortgagee or
933 other creditor is indemnified against losses caused by the default of a debtor.
- 934 (130) "Mortgage life insurance" means insurance on the life of a debtor in connection with
935 an extension of credit that pays if the debtor dies.
- 936 (131) "Motor club" means a person:
- 937 (a) licensed under:
- 938 (i) Chapter 5, Domestic Stock and Mutual Insurance Corporations;
- 939 (ii) Chapter 11, Motor Clubs; or
- 940 (iii) Chapter 14, Foreign Insurers; and
- 941 (b) that promises for an advance consideration to provide for a stated period of time one
942 or more:
- 943 (i) legal services under Subsection 31A-11-102(1)(b);
- 944 (ii) bail services under Subsection 31A-11-102(1)(c); or
- 945 (iii)(A) trip reimbursement;
- 946 (B) towing services;

- 947 (C) emergency road services;
- 948 (D) stolen automobile services;
- 949 (E) a combination of the services listed in Subsections (131)(b)(iii)(A) through
- 950 (D); or
- 951 (F) other services given in Subsections 31A-11-102(1)(b) through (f).
- 952 (132) "Mutual" means a mutual insurance corporation.
- 953 (133) "NAIC" means the National Association of Insurance Commissioners.
- 954 (134) "NAIC liquidity stress test framework" means a NAIC publication that includes:
- 955 (a) a history of the NAIC's development of regulatory liquidity stress testing;
- 956 (b) the scope criteria applicable for a specific data year; and
- 957 (c) the liquidity stress test instructions and reporting templates for a specific data year,
- 958 as adopted by the NAIC and as amended by the NAIC in accordance with NAIC
- 959 procedures.
- 960 (135) "Network plan" means health care insurance:
- 961 (a) that is issued by an insurer; and
- 962 (b) under which the financing and delivery of medical care is provided, in whole or in
- 963 part, through a defined set of providers under contract with the insurer, including the
- 964 financing and delivery of an item paid for as medical care.
- 965 (136) "Network provider" means a health care provider who has an agreement with a
- 966 managed care organization to provide health care services to an enrollee with an
- 967 expectation of receiving payment, other than coinsurance, copayments, or deductibles,
- 968 directly from the managed care organization.
- 969 (137) "Nonparticipating" means a plan of insurance under which the insured is not entitled
- 970 to receive a dividend representing a share of the surplus of the insurer.
- 971 (138) "Ocean marine insurance" means insurance against loss of or damage to:
- 972 (a) ships or hulls of ships;
- 973 (b) goods, freight, cargoes, merchandise, effects, disbursements, profits, money,
- 974 securities, choses in action, evidences of debt, valuable papers, bottomry,
- 975 respondentia interests, or other cargoes in or awaiting transit over the oceans or
- 976 inland waterways;
- 977 (c) earnings such as freight, passage money, commissions, or profits derived from
- 978 transporting goods or people upon or across the oceans or inland waterways; or
- 979 (d) a vessel owner or operator as a result of liability to employees, passengers, bailors,
- 980 owners of other vessels, owners of fixed objects, customs or other authorities, or

- 981 other persons in connection with maritime activity.
- 982 (139) "Order" means an order of the commissioner.
- 983 (140) "ORSA guidance manual" means the current version of the Own Risk and Solvency
984 Assessment Guidance Manual developed and adopted by the National Association of
985 Insurance Commissioners and as amended from time to time.
- 986 (141) "ORSA summary report" means a confidential high-level summary of an insurer or
987 insurance group's own risk and solvency assessment.
- 988 (142) "Outline of coverage" means a summary that explains an accident and health
989 insurance policy.
- 990 (143) "Own risk and solvency assessment" means an insurer or insurance group's
991 confidential internal assessment:
- 992 (a)(i) of each material and relevant risk associated with the insurer or insurance group;
993 (ii) of the insurer or insurance group's current business plan to support each risk
994 described in Subsection (143)(a)(i); and
995 (iii) of the sufficiency of capital resources to support each risk described in
996 Subsection (143)(a)(i); and
- 997 (b) that is appropriate to the nature, scale, and complexity of an insurer or insurance
998 group.
- 999 (144) "Participating" means a plan of insurance under which the insured is entitled to
1000 receive a dividend representing a share of the surplus of the insurer.
- 1001 (145) "Participation," as used in a health benefit plan, means a requirement relating to the
1002 minimum percentage of eligible employees that must be enrolled in relation to the total
1003 number of eligible employees of an employer reduced by each eligible employee who
1004 voluntarily declines coverage under the plan because the employee:
- 1005 (a) has other group health care insurance coverage; or
1006 (b) receives:
- 1007 (i) Medicare, under the Health Insurance for the Aged Act, Title XVIII of the Social
1008 Security Amendments of 1965; or
1009 (ii) another government health benefit.
- 1010 (146) "Person" includes:
- 1011 (a) an individual;
1012 (b) a partnership;
1013 (c) a corporation;
1014 (d) an incorporated or unincorporated association;

- 1015 (e) a joint stock company;
- 1016 (f) a trust;
- 1017 (g) a limited liability company;
- 1018 (h) a reciprocal;
- 1019 (i) a syndicate; or
- 1020 (j) another similar entity or combination of entities acting in concert.
- 1021 (147) "Personal lines insurance" means property and casualty insurance coverage sold for
- 1022 primarily noncommercial purposes to:
- 1023 (a) an individual; or
- 1024 (b) a family.
- 1025 (148) "Plan sponsor" means the same as that term is defined in 29 U.S.C. Sec. 1002(16)(B).
- 1026 (149) "Plan year" means:
- 1027 (a) the year that is designated as the plan year in:
- 1028 (i) the plan document of a group health plan; or
- 1029 (ii) a summary plan description of a group health plan;
- 1030 (b) if the plan document or summary plan description does not designate a plan year or
- 1031 there is no plan document or summary plan description:
- 1032 (i) the year used to determine deductibles or limits;
- 1033 (ii) the policy year, if the plan does not impose deductibles or limits on a yearly basis;
- 1034 or
- 1035 (iii) the employer's taxable year if:
- 1036 (A) the plan does not impose deductibles or limits on a yearly basis; and
- 1037 (B)(I) the plan is not insured; or
- 1038 (II) the insurance policy is not renewed on an annual basis; or
- 1039 (c) in a case not described in Subsection (149)(a) or (b), the calendar year.
- 1040 (150)(a) "Policy" means a document, including an attached endorsement or application
- 1041 that:
- 1042 (i) purports to be an enforceable contract; and
- 1043 (ii) memorializes in writing some or all of the terms of an insurance contract.
- 1044 (b) "Policy" includes a service contract issued by:
- 1045 (i) a motor club under Chapter 11, Motor Clubs;
- 1046 (ii) a service contract provided under Chapter 6a, Service Contracts; and
- 1047 (iii) a corporation licensed under:
- 1048 (A) Chapter 7, Nonprofit Health Service Insurance Corporations; or

- 1049 (B) Chapter 8, Health Maintenance Organizations and Limited Health Plans.
- 1050 (c) "Policy" does not include:
- 1051 (i) a certificate under a group insurance contract; or
- 1052 (ii) a document that does not purport to have legal effect.
- 1053 (151) "Policyholder" means a person who controls a policy, binder, or oral contract by
- 1054 ownership, premium payment, or otherwise.
- 1055 (152) "Policy illustration" means a presentation or depiction that includes nonguaranteed
- 1056 elements of a policy offering life insurance over a period of years.
- 1057 (153) "Policy summary" means a synopsis describing the elements of a life insurance policy.
- 1058 (154) "PPACA" means the Patient Protection and Affordable Care Act, Pub. L. No.
- 1059 111-148 and the Health Care Education Reconciliation Act of 2010, Pub. L. No.
- 1060 111-152, and related federal regulations and guidance.
- 1061 (155) "Preexisting condition," with respect to health care insurance:
- 1062 (a) means a condition that was present before the effective date of coverage, whether or
- 1063 not medical advice, diagnosis, care, or treatment was recommended or received
- 1064 before that day; and
- 1065 (b) does not include a condition indicated by genetic information unless an actual
- 1066 diagnosis of the condition by a physician has been made.
- 1067 (156)(a) "Premium" means the monetary consideration for an insurance policy.
- 1068 (b) "Premium" includes, however designated:
- 1069 (i) an assessment;
- 1070 (ii) a membership fee;
- 1071 (iii) a required contribution; or
- 1072 (iv) monetary consideration.
- 1073 (c)(i) "Premium" does not include consideration paid to a third party administrator for
- 1074 the third party administrator's services.
- 1075 (ii) "Premium" includes an amount paid by a third party administrator to an insurer
- 1076 for insurance on the risks administered by the third party administrator.
- 1077 (157) "Principal officers" for a corporation means the officers designated under Subsection
- 1078 31A-5-203(3).
- 1079 (158) "Proceeding" includes an action or special statutory proceeding.
- 1080 (159) "Professional liability insurance" means insurance against legal liability incident to
- 1081 the practice of a profession and provision of a professional service.
- 1082 (160)(a) "Property insurance" means insurance against loss or damage to real or personal

- 1083 property of every kind and any interest in that property:
- 1084 (i) from all hazards or causes; and
- 1085 (ii) against loss consequential upon the loss or damage including vehicle
- 1086 comprehensive and vehicle physical damage coverages.
- 1087 (b) "Property insurance" does not include:
- 1088 (i) inland marine insurance; and
- 1089 (ii) ocean marine insurance.
- 1090 (161) "Qualified long-term care insurance contract" or "federally tax qualified long-term
- 1091 care insurance contract" means:
- 1092 (a) an individual or group insurance contract that meets the requirements of Section
- 1093 7702B(b), Internal Revenue Code; or
- 1094 (b) the portion of a life insurance contract that provides long-term care insurance:
- 1095 (i)(A) by rider; or
- 1096 (B) as a part of the contract; and
- 1097 (ii) that satisfies the requirements of Sections 7702B(b) and (e), Internal Revenue
- 1098 Code.
- 1099 (162) "Qualified United States financial institution" means an institution that:
- 1100 (a) is:
- 1101 (i) organized under the laws of the United States or any state; or
- 1102 (ii) in the case of a United States office of a foreign banking organization, licensed
- 1103 under the laws of the United States or any state;
- 1104 (b) is regulated, supervised, and examined by a United States federal or state authority
- 1105 having regulatory authority over a bank or trust company; and
- 1106 (c) meets the standards of financial condition and standing that are considered necessary
- 1107 and appropriate to regulate the quality of a financial institution whose letters of credit
- 1108 will be acceptable to the commissioner as determined by:
- 1109 (i) the commissioner by rule; or
- 1110 (ii) the Securities Valuation Office of the National Association of Insurance
- 1111 Commissioners.
- 1112 (163)(a) "Rate" means:
- 1113 (i) the cost of a given unit of insurance; or
- 1114 (ii) for property or casualty insurance, that cost of insurance per exposure unit either
- 1115 expressed as:
- 1116 (A) a single number; or

1117 (B) a pure premium rate, adjusted before the application of individual risk
1118 variations based on loss or expense considerations to account for the treatment
1119 of:
1120 (I) expenses;
1121 (II) profit; and
1122 (III) individual insurer variation in loss experience.

1123 (b) "Rate" does not include a minimum premium.

1124 (164)(a) "Rate service organization" means a person who assists an insurer in rate
1125 making or filing by:

1126 (i) collecting, compiling, and furnishing loss or expense statistics;
1127 (ii) recommending, making, or filing rates or supplementary rate information; or
1128 (iii) advising about rate questions, except as an attorney giving legal advice.

1129 (b) "Rate service organization" does not include:

1130 (i) an employee of an insurer;
1131 (ii) a single insurer or group of insurers under common control;
1132 (iii) a joint underwriting group; or
1133 (iv) an individual serving as an actuarial or legal consultant.

1134 (165) "Rating manual" means any of the following used to determine initial and renewal
1135 policy premiums:

1136 (a) a manual of rates;
1137 (b) a classification;
1138 (c) a rate-related underwriting rule; and
1139 (d) a rating formula that describes steps, policies, and procedures for determining initial
1140 and renewal policy premiums.

1141 (166)(a) "Rebate" means a licensee paying, allowing, giving, or offering to pay, allow,
1142 or give, directly or indirectly:

1143 (i) a refund of premium or portion of premium;
1144 (ii) a refund of commission or portion of commission;
1145 (iii) a refund of all or a portion of a consultant fee; or
1146 (iv) providing services or other benefits not specified in an insurance or annuity
1147 contract.

1148 (b) "Rebate" does not include:

1149 (i) a refund due to termination or changes in coverage;
1150 (ii) a refund due to overcharges made in error by the licensee; or

- 1151 (iii) savings or wellness benefits as provided in the contract by the licensee.
- 1152 (167) "Received by the department" means:
- 1153 (a) the date delivered to and stamped received by the department, if delivered in person;
- 1154 (b) the post mark date, if delivered by mail;
- 1155 (c) the delivery service's post mark or pickup date, if delivered by a delivery service;
- 1156 (d) the received date recorded on an item delivered, if delivered by:
- 1157 (i) facsimile;
- 1158 (ii) email; or
- 1159 (iii) another electronic method; or
- 1160 (e) a date specified in:
- 1161 (i) a statute;
- 1162 (ii) a rule; or
- 1163 (iii) an order.
- 1164 (168) "Reciprocal" or "interinsurance exchange" means an unincorporated association of
- 1165 persons:
- 1166 (a) operating through an attorney-in-fact common to all of the persons; and
- 1167 (b) exchanging insurance contracts with one another that provide insurance coverage on
- 1168 each other.
- 1169 (169) "Reinsurance" means an insurance transaction where an insurer, for consideration,
- 1170 transfers any portion of the risk it has assumed to another insurer. In referring to
- 1171 reinsurance transactions, this title sometimes refers to:
- 1172 (a) the insurer transferring the risk as the "ceding insurer"; and
- 1173 (b) the insurer assuming the risk as the:
- 1174 (i) "assuming insurer"; or
- 1175 (ii) "assuming reinsurer."
- 1176 (170) "Reinsurer" means a person licensed in this state as an insurer with the authority to
- 1177 assume reinsurance.
- 1178 (171) "Residential dwelling liability insurance" means insurance against liability resulting
- 1179 from or incident to the ownership, maintenance, or use of a residential dwelling that is a
- 1180 detached single family residence or multifamily residence up to four units.
- 1181 (172)(a) "Retrocession" means reinsurance with another insurer of a liability assumed
- 1182 under a reinsurance contract.
- 1183 (b) A reinsurer "retrocedes" when the reinsurer reinsures with another insurer part of a
- 1184 liability assumed under a reinsurance contract.

- 1185 (173) "Rider" means an endorsement to:
- 1186 (a) an insurance policy; or
- 1187 (b) an insurance certificate.
- 1188 (174) "Scope criteria" means the designated exposure bases and minimum magnitudes for a
- 1189 specified data year that are used to establish a preliminary list of insurers considered
- 1190 scoped into the NAIC liquidity stress test framework for that data year.
- 1191 (175) "Secondary medical condition" means a complication related to an exclusion from
- 1192 coverage in accident and health insurance.
- 1193 (176)(a) "Security" means a:
- 1194 (i) note;
- 1195 (ii) stock;
- 1196 (iii) bond;
- 1197 (iv) debenture;
- 1198 (v) evidence of indebtedness;
- 1199 (vi) certificate of interest or participation in a profit-sharing agreement;
- 1200 (vii) collateral-trust certificate;
- 1201 (viii) preorganization certificate or subscription;
- 1202 (ix) transferable share;
- 1203 (x) investment contract;
- 1204 (xi) voting trust certificate;
- 1205 (xii) certificate of deposit for a security;
- 1206 (xiii) certificate of interest of participation in an oil, gas, or mining title or lease or in
- 1207 payments out of production under such a title or lease;
- 1208 (xiv) commodity contract or commodity option;
- 1209 (xv) certificate of interest or participation in, temporary or interim certificate for,
- 1210 receipt for, guarantee of, or warrant or right to subscribe to or purchase any of the
- 1211 items listed in Subsections (176)(a)(i) through (xiv); or
- 1212 (xvi) another interest or instrument commonly known as a security.
- 1213 (b) "Security" does not include:
- 1214 (i) any of the following under which an insurance company promises to pay money in
- 1215 a specific lump sum or periodically for life or some other specified period:
- 1216 (A) insurance;
- 1217 (B) an endowment policy; or
- 1218 (C) an annuity contract; or

- 1219 (ii) a burial certificate or burial contract.
- 1220 (177) "Securityholder" means a specified person who owns a security of a person, including:
- 1221 (a) common stock;
- 1222 (b) preferred stock;
- 1223 (c) debt obligations; and
- 1224 (d) any other security convertible into or evidencing the right of any of the items listed
- 1225 in this Subsection (177).
- 1226 (178)(a) "Self-insurance" means an arrangement under which a person provides for
- 1227 spreading the person's own risks by a systematic plan.
- 1228 (b) "Self-insurance" includes:
- 1229 (i) an arrangement under which a governmental entity undertakes to indemnify an
- 1230 employee for liability arising out of the employee's employment; and
- 1231 (ii) an arrangement under which a person with a managed program of self-insurance
- 1232 and risk management undertakes to indemnify the person's affiliate, subsidiary,
- 1233 director, officer, or employee for liability or risk that arises out of the person's
- 1234 relationship with the affiliate, subsidiary, director, officer, or employee.
- 1235 (c) "Self-insurance" does not include:
- 1236 (i) an arrangement under which a number of persons spread their risks among
- 1237 themselves; or
- 1238 (ii) an arrangement with an independent contractor.
- 1239 (179) "Sell" means to exchange a contract of insurance:
- 1240 (a) by any means;
- 1241 (b) for money or ~~[its]~~ the equivalent; and
- 1242 (c) on behalf of an insurance company.
- 1243 (180) "Short-term limited duration health insurance" means a health benefit product that:
- 1244 (a) after taking into account any renewals or extensions, has a total duration of no more
- 1245 than 36 months; and
- 1246 (b) has an expiration date specified in the contract that is less than 12 months after the
- 1247 original effective date of coverage under the health benefit product.
- 1248 (181) "Significant break in coverage" means a period of 63 consecutive days during each of
- 1249 which an individual does not have creditable coverage.
- 1250 (182)(a) "Small employer" means, in connection with a health benefit plan and with
- 1251 respect to a calendar year and to a plan year, an employer who:
- 1252 (i)(A) employed at least one but not more than 50 eligible employees on business

- 1253 days during the preceding calendar year; or
- 1254 (B) if the employer did not exist for the entirety of the preceding calendar year,
- 1255 reasonably expects to employ an average of at least one but not more than 50
- 1256 eligible employees on business days during the current calendar year;
- 1257 (ii) employs at least one employee on the first day of the plan year; and
- 1258 (iii) for an employer who has common ownership with one or more other employers,
- 1259 is treated as a single employer under 26 U.S.C. Sec. 414(b), (c), (m), or (o).
- 1260 (b) "Small employer" does not include an owner or a sole proprietor that does not
- 1261 employ at least one employee.
- 1262 (183) "Special enrollment period," in connection with a health benefit plan, has the same
- 1263 meaning as provided in federal regulations adopted [~~pursuant to~~] in accordance with the
- 1264 Health Insurance Portability and Accountability Act.
- 1265 (184)(a) "Subsidiary" of a person means an affiliate controlled by that person either
- 1266 directly or indirectly through one or more affiliates or intermediaries.
- 1267 (b) "Wholly owned subsidiary" of a person is a subsidiary of which all of the voting
- 1268 shares are owned by that person either alone or with [its] the person's affiliates, except
- 1269 for the minimum number of shares the law of the subsidiary's domicile requires to be
- 1270 owned by directors or others.
- 1271 (185) Subject to Subsection (95)(b), "surety insurance" includes:
- 1272 (a) a guarantee against loss or damage resulting from the failure of a principal to pay or
- 1273 perform the principal's obligations to a creditor or other obligee;
- 1274 (b) bail bond insurance; and
- 1275 (c) fidelity insurance.
- 1276 (186)(a) "Surplus" means the excess of assets over the sum of paid-in capital and
- 1277 liabilities.
- 1278 (b)(i) "Permanent surplus" means the surplus of an insurer or organization that is
- 1279 designated by the insurer or organization as permanent.
- 1280 (ii) Sections 31A-5-211, 31A-7-201, 31A-8-209, 31A-9-209, and 31A-14-205 require
- 1281 that insurers or organizations doing business in this state maintain specified
- 1282 minimum levels of permanent surplus.
- 1283 (iii) Except for assessable mutuals, the minimum permanent surplus requirement is
- 1284 the same as the minimum required capital requirement that applies to stock
- 1285 insurers.
- 1286 (c) "Excess surplus" means:

- 1287 (i) for a life insurer, accident and health insurer, health organization, or property and
 1288 casualty insurer as defined in Section 31A-17-601, the lesser of:
- 1289 (A) that amount of an insurer's or health organization's total adjusted capital that
 1290 exceeds the product of:
- 1291 (I) 2.5; and
 1292 (II) the sum of the insurer's or health organization's minimum capital or
 1293 permanent surplus required under Section 31A-5-211, 31A-9-209, or
 1294 31A-14-205; or
- 1295 (B) that amount of an insurer's or health organization's total adjusted capital that
 1296 exceeds the product of:
- 1297 (I) 3.0; and
 1298 (II) the authorized control level RBC as defined in Subsection
 1299 31A-17-601(8)(a); and
- 1300 (ii) for a monoline mortgage guaranty insurer, financial guaranty insurer, or title
 1301 insurer that amount of an insurer's paid-in-capital and surplus that exceeds the
 1302 product of:
- 1303 (A) 1.5; and
 1304 (B) the insurer's total adjusted capital required by Subsection 31A-17-609(1).
- 1305 (187) "Third party administrator" or "administrator" means a person who collects charges
 1306 or premiums from, or who, for consideration, adjusts or settles claims of residents of the
 1307 state in connection with insurance coverage, annuities, or service insurance coverage,
 1308 except:
- 1309 (a) a union on behalf of [its] the union's members;
 1310 (b) a person administering a:
- 1311 (i) pension plan subject to the federal Employee Retirement Income Security Act of
 1312 1974;
- 1313 (ii) governmental plan as defined in Section 414(d), Internal Revenue Code; or
 1314 (iii) nonelecting church plan as described in Section 410(d), Internal Revenue Code;
- 1315 (c) an employer on behalf of the employer's employees or the employees of one or more
 1316 of the subsidiary or affiliated corporations of the employer;
- 1317 (d) an insurer licensed under the following, but only for a line of insurance for which the
 1318 insurer holds a license in this state:
- 1319 (i) Chapter 5, Domestic Stock and Mutual Insurance Corporations;
 1320 (ii) Chapter 7, Nonprofit Health Service Insurance Corporations;

- 1321 (iii) Chapter 8, Health Maintenance Organizations and Limited Health Plans;
 1322 (iv) Chapter 9, Insurance Fraternal; or
 1323 (v) Chapter 14, Foreign Insurers;
- 1324 (e) a person:
- 1325 (i) licensed or exempt from licensing under:
- 1326 (A) Chapter 23a, Insurance Marketing - Licensing Producers, Consultants, and
 1327 Reinsurance Intermediaries; or
 1328 (B) Chapter 26, Insurance Adjusters; and
- 1329 (ii) whose activities are limited to those authorized under the license the person holds
 1330 or for which the person is exempt; or
- 1331 (f) an institution, bank, or financial institution:
- 1332 (i) that is:
- 1333 (A) an institution whose deposits and accounts are to any extent insured by a
 1334 federal deposit insurance agency, including the Federal Deposit Insurance
 1335 Corporation or National Credit Union Administration; or
 1336 (B) a bank or other financial institution that is subject to supervision or
 1337 examination by a federal or state banking authority; and
- 1338 (ii) that does not adjust claims without a third party administrator license.
- 1339 (188) "Title insurance" means the insuring, guaranteeing, or indemnifying of an owner of
 1340 real or personal property or the holder of liens or encumbrances on that property, or
 1341 others interested in the property against loss or damage suffered by reason of liens or
 1342 encumbrances upon, defects in, or the unmarketability of the title to the property, or
 1343 invalidity or unenforceability of any liens or encumbrances on the property.
- 1344 (189) "Total adjusted capital" means the sum of an insurer's or health organization's
 1345 statutory capital and surplus as determined in accordance with:
- 1346 (a) the statutory accounting applicable to the annual financial statements required to be
 1347 filed under Section 31A-4-113; and
 1348 (b) another item provided by the RBC instructions, as RBC instructions is defined in
 1349 Section 31A-17-601.
- 1350 (190)(a) "Trustee" means "director" when referring to the board of directors of a
 1351 corporation.
- 1352 (b) "Trustee," when used in reference to an employee welfare fund, means an individual,
 1353 firm, association, organization, joint stock company, or corporation, whether acting
 1354 individually or jointly and whether designated by that name or any other, that is

- 1355 charged with or has the overall management of an employee welfare fund.
- 1356 (191)(a) "Unauthorized insurer," "unadmitted insurer," or "nonadmitted insurer" means
- 1357 an insurer:
- 1358 (i) not holding a valid certificate of authority to do an insurance business in this state;
- 1359 or
- 1360 (ii) transacting business not authorized by a valid certificate.
- 1361 (b) "Admitted insurer" or "authorized insurer" means an insurer:
- 1362 (i) holding a valid certificate of authority to do an insurance business in this state; and
- 1363 (ii) transacting business as authorized by a valid certificate.
- 1364 (192) "Underwrite" means the authority to accept or reject risk on behalf of the insurer.
- 1365 (193) "Vehicle liability insurance" means insurance against liability resulting from or
- 1366 incident to ownership, maintenance, or use of a land vehicle or aircraft, exclusive of a
- 1367 vehicle comprehensive or vehicle physical damage coverage described in Subsection
- 1368 (160).
- 1369 (194) "Voting security" means a security with voting rights, and includes a security
- 1370 convertible into a security with a voting right associated with the security.
- 1371 (195) "Waiting period" for a health benefit plan means the period that must pass before
- 1372 coverage for an individual, who is otherwise eligible to enroll under the terms of the
- 1373 health benefit plan, can become effective.
- 1374 (196) "Workers' compensation insurance" means:
- 1375 (a) insurance for indemnification of an employer against liability for compensation
- 1376 based on:
- 1377 (i) a compensable accidental injury; and
- 1378 (ii) occupational disease disability;
- 1379 (b) employer's liability insurance incidental to workers' compensation insurance and
- 1380 written in connection with workers' compensation insurance; and
- 1381 (c) insurance assuring to a person entitled to workers' compensation benefits the
- 1382 compensation provided by law.

1383 Section 2. Section **31A-6c-101** is enacted to read:

1384 **CHAPTER 6c. Ambulance Membership Organizations**

1385 **Part 1. General Provisions**

1386 **31A-6c-101 . Definitions.**

1387 As used in this chapter:

- 1388 (1) "Ambulance membership contract" means a contract in which one party agrees to
1389 reimburse the following expenses for another party in the event of an emergency:
1390 (a) air ambulance charges;
1391 (b) ground ambulance charges;
1392 (c) transportation expenses to return the member to the member's primary residence;
1393 (d) transportation expenses to return a member's companion to the companion's primary
1394 residence;
1395 (e) vehicle return expenses; and
1396 (f) other transportation and related services, if:
1397 (i) the commissioner approves the transportation and related services; and
1398 (ii) the transportation and related services are consistent with this chapter.
- 1399 (2)(a) "Ambulance membership organization" means a person that offers an ambulance
1400 membership contract.
1401 (b) "Ambulance membership organization" does not include a person that offers
1402 ambulance services.
- 1403 (3) "Companion" means an individual who travels with a member.
- 1404 (4) "Governmental entity" means the governing body of a county or municipality in this
1405 state.
- 1406 (5) "Medicaid program" means the same as that term is defined in Section 26B-3-101.
- 1407 (6) "Member" means a person who enters into an ambulance membership contract with an
1408 ambulance membership organization.
- 1409 Section 3. Section **31A-6c-102** is enacted to read:
- 1410 **31A-6c-102 . Scope of chapter.**
- 1411 (1) An ambulance membership organization may not issue, sell, or offer for sale an
1412 ambulance membership contract, unless the ambulance membership organization
1413 complies with this chapter.
- 1414 (2) An ambulance membership organization that complies with this chapter is exempt from:
1415 (a) Chapter 5, Domestic Stock and Mutual Insurance Corporations;
1416 (b) Chapter 7, Nonprofit Health Service Insurance Corporations;
1417 (c) Chapter 8, Health Maintenance Organizations and Limited Health Plans;
1418 (d) Chapter 9, Insurance Fraternal;
1419 (e) Chapter 10, Annuities;
1420 (f) Chapter 11, Motor Clubs;
1421 (g) Chapter 12, State Risk Management Fund;

- 1422 (h) Chapter 14, Foreign Insurers;
 1423 (i) Chapter 19a, Utah Rate Regulation Act;
 1424 (j) Chapter 25, Third Party Administrators; and
 1425 (k) Chapter 28, Guaranty Associations.

1426 Section 4. Section **31A-6c-103** is enacted to read:

1427 **31A-6c-103 . Powers and duties of the commissioner -- Rulemaking -- Costs.**

- 1428 (1) The commissioner may:
- 1429 (a) examine or investigate the affairs of an ambulance membership organization to
 1430 ensure compliance with this chapter;
- 1431 (b) order an ambulance membership organization or applicant for a license under this
 1432 chapter to produce material relating to ambulance membership affairs, including any
 1433 records, books, files, advertising and solicitation materials, and any other information
 1434 the commissioner deems necessary to ensure compliance with this chapter; and
- 1435 (c) take statements under oath to determine whether an ambulance membership
 1436 organization or an applicant for a license under this chapter is in violation of this
 1437 chapter.
- 1438 (2) An ambulance membership organization that the commissioner finds has violated a
 1439 provision of this chapter after an examination or investigation under this section shall
 1440 pay all costs and fees associated with the examination or investigation.
- 1441 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 1442 commissioner may make rules necessary to assist in the enforcement of this chapter.

1443 Section 5. Section **31A-6c-201** is enacted to read:

1444 **Part 2. Licensing**

1445 **31A-6c-201 . Licensure.**

- 1446 (1) A person may not perform, offer to perform, or advertise as an ambulance membership
 1447 organization in this state unless the person is licensed under this chapter.
- 1448 (2) To obtain or renew a license as an ambulance membership organization, a person shall:
- 1449 (a) submit an application:
- 1450 (i) on a form and in a manner the commissioner establishes by rule in accordance
 1451 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- 1452 (ii) that states:
- 1453 (A) whether the person's previous license under this chapter or for a substantially
 1454 similar license under the laws of another state has been denied, revoked,
 1455 suspended, or terminated;

- 1456 (B) whether the applicant is currently under investigation by law enforcement, a
 1457 federal entity, or a state entity or is the subject of a pending legal action;
 1458 (C) whether the applicant has been found in violation of a statute or regulation in
 1459 any jurisdiction in the five years before the day on which the applicant submits
 1460 the application;
 1461 (D) that the applicant has established a dedicated toll-free number for the
 1462 applicant's customers and a website that makes available the name and address
 1463 of each current ambulance provider with which the applicant has contracted
 1464 directly or through a provider network;
 1465 (E) additional information the commissioner requires by rule in accordance with
 1466 Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to determine
 1467 whether the applicant has adequate expertise and experience to operate an
 1468 ambulance membership organization; and
 1469 (b) pay a licensure fee of \$500.

1470 (3) The term of a license issued under this chapter is one year.

1471 Section 6. Section **31A-6c-202** is enacted to read:

1472 **31A-6c-202 . License renewal -- Reporting requirements.**

1473 (1) At least 90 days before the day on which an ambulance membership organization's
 1474 license expires, the ambulance membership organization seeking renewal of the
 1475 ambulance membership organization's license shall submit an annual report to the
 1476 commission in a form the commissioner approves.

1477 (2) The report described in Subsection (1) shall include:

1478 (a) an updated list of the name and address of each ambulance provider of the ambulance
 1479 membership organization, including:

1480 (i) the extent and nature of any contract or arrangement with the ambulance provider;
 1481 and

1482 (ii) any possible conflict of interest between the ambulance membership organization
 1483 and ambulance provider;

1484 (b) the number of members in this state who are enrolled in an ambulance membership
 1485 contract that the ambulance membership organization offers;

1486 (c) a list of each ambulance membership contract currently active or entered into with a
 1487 governmental entity that provides membership of the ambulance membership
 1488 organization to each resident of the governmental entity; and

1489 (d) any other information related to the ambulance membership organization that the

1490 commissioner requires to ensure compliance with this chapter.

1491 (3)(a) The commissioner may not renew an ambulance membership organization's
 1492 license if the ambulance membership organization fails to file a complete annual
 1493 report in accordance with Subsection (1).

1494 (b) If the commissioner does not renew an ambulance membership organization's license
 1495 in accordance with Subsection (3)(a), the ambulance membership organization may
 1496 not enroll new members or do business in this state until:

1497 (i) the ambulance membership organization submits a new license application in
 1498 accordance with Section 31A-6c-201; and

1499 (ii) the commissioner approves the application.

1500 (4) If an ambulance membership organization makes a change to any of the following, the
 1501 ambulance membership organization shall provide the commissioner a notice of the
 1502 change at least 30 days before the day on which the ambulance membership
 1503 organization makes the change:

1504 (a) the ambulance membership organization's name;

1505 (b) the ambulance membership organization's address;

1506 (c) the ambulance membership organization's telephone number;

1507 (d) the ambulance membership organization's address for the principal place of business;

1508 (e) the ambulance membership organization's mailing address; or

1509 (f) the ambulance membership organization's website address.

1510 Section 7. Section **31A-6c-301** is enacted to read:

1511 **Part 3. Operational Requirements**

1512 **31A-6c-301 . Reserve funds -- Surety bond required.**

1513 (1) An ambulance membership organization licensed under this chapter shall:

1514 (a) establish and maintain a funded reserve account consisting of unencumbered assets
 1515 of either cash or cash equivalents, equal to at least 20% of the gross earned fee
 1516 income the ambulance membership organization receives on all active ambulance
 1517 membership contracts that the ambulance membership organization sells or renews in
 1518 this state on or after May 6, 2026;

1519 (b) post a surety bond with one or more surety companies that the commissioner
 1520 approves in an amount of at least \$5,000 for every 100 members of the ambulance
 1521 membership organization who are residents of this state;

1522 (c) maintain additional securities the commissioner requires by rule in accordance with
 1523 Title 63G, Chapter 3, Utah Administrative Rulemaking Act; and

1524 (d) pay the costs of collection upon a judgment in favor of a member and attorney fees
1525 in a successful action brought by member against the ambulance membership
1526 organization.

1527 (2) The reserve account described in Subsection (1)(a) shall be:

1528 (a) maintained in a financial institution that the commissioner approves; and

1529 (b) a separate, auditable account for the ambulance membership organization's
1530 ambulance membership contracts in force in this state.

1531 Section 8. Section **31A-6c-302** is enacted to read:

1532 **31A-6c-302 . Charges authorized -- Required disclosures -- Ambulance**
1533 **membership contract requirements.**

1534 (1) An ambulance membership organization may assess a one-time application processing
1535 fee to the ambulance membership organization's members that may not exceed \$25.

1536 (2) If an ambulance membership organization cancels an ambulance membership contract
1537 for any reason other than nonpayment of charges by a member, the ambulance
1538 membership organization shall issue a pro rata refund of all periodic charges and
1539 membership fees to the member.

1540 (3) An ambulance membership organization, or a person that sells an ambulance
1541 membership contract for an ambulance membership organization, shall disclose each
1542 charge and fee for each ambulance membership contract to each prospective member.

1543 (4) An ambulance membership organization shall provide the terms and conditions of an
1544 ambulance membership contract to each prospective member before the day on which
1545 the prospective member enters into the ambulance membership contract.

1546 (5) An ambulance membership organization shall file a copy of each ambulance
1547 membership contract with the commissioner before the ambulance membership contract
1548 goes into effect.

1549 (6) An ambulance membership contract described in Subsection (5) shall:

1550 (a) identify the ambulance membership organization, including the ambulance
1551 membership organization's:

1552 (i) physical address;

1553 (ii) website address; and

1554 (iii) toll-free phone number;

1555 (b) conspicuously state:

1556 (i) the total purchase price of the ambulance membership contract, including any
1557 membership fees; and

- 1558 (ii) that the ambulance membership contract is not an insurance contract;
1559 (c) state:
1560 (i) the terms under which the ambulance membership contract is to be paid;
1561 (ii) any cost sharing requirements;
1562 (iii) the services the ambulance membership organization shall provide under the
1563 ambulance membership contract, and any limitation, exception, or exclusion;
1564 (iv) any term, restriction, or condition that governs the cancellation of the ambulance
1565 membership contract by either the member or the ambulance membership
1566 organization;
1567 (v) that if the member cancels the ambulance membership contract within 30 days
1568 after the day on which the member purchases the ambulance membership contract,
1569 the ambulance membership organization shall refund to the member:
1570 (A) any one-time charge the member pays that exceeds \$25; and
1571 (B) each periodic charge and membership fee the member pays; and
1572 (vi) what constitutes acceptable insurance coverage if eligibility for the ambulance
1573 membership contract is conditioned on the member's current and continuing health
1574 insurance coverage; and
1575 (d) define "medical necessity," if membership coverage of a transport is conditioned on
1576 a finding of medical necessity.

1577 Section 9. Section **31A-6c-303** is enacted to read:

1578 **31A-6c-303 . Ambulance membership restrictions -- Medicaid program.**

- 1579 (1) An ambulance membership organization may not knowingly sell, offer for sale, or
1580 provide an ambulance membership contract to an individual who is enrolled in the
1581 Medicaid program.
- 1582 (2)(a) If an individual who enters into an ambulance membership contract subsequently
1583 enrolls in the Medicaid program during the term of the ambulance membership
1584 contract, the individual shall notify the ambulance membership organization of the
1585 enrollment within 30 days of the day on which the individual enrolls in the Medicaid
1586 program.
- 1587 (b) If the individual notifies the ambulance membership organization in accordance with
1588 Subsection (2)(a), the ambulance membership organization shall provide the
1589 individual a prorated refund of any consideration the individual pays for the period
1590 from the effective date of the Medicaid program enrollment through the day on which
1591 the ambulance membership contract expires.

- 1592 (c) If the individual does not notify the ambulance membership organization in
 1593 accordance with Subsection (2)(a):
 1594 (i) the individual is not entitled to a prorated refund; and
 1595 (ii) the ambulance membership organization shall unenroll the individual from the
 1596 ambulance membership contract within 30 days of the day on which the
 1597 ambulance membership organization receives notice of the individual's enrollment
 1598 in the Medicaid program.

1599 Section 10. Section **31A-6c-304** is enacted to read:

1600 **31A-6c-304 . Marketing requirements -- Required disclosures.**

- 1601 (1) Each advertisement, marketing material, brochure, ambulance membership card,
 1602 presentation, and any other communication of an ambulance membership organization
 1603 shall be truthful and not misleading in fact or in implication.
 1604 (2) An ambulance membership organization advertising or marketing the ambulance
 1605 membership organization's ambulance membership contract to residents of this state:
 1606 (a) shall file each written advertisement and marketing material to the commissioner for
 1607 review in compliance with this chapter; and
 1608 (b) may not:
 1609 (i) use language in the ambulance membership organization's advertisements or
 1610 marketing that could reasonably mislead a person into believing that the
 1611 ambulance membership contract is insurance;
 1612 (ii) use language in the ambulance membership organization's advertisement,
 1613 marketing material, brochure, or presentation in relation to the following that
 1614 could reasonably mislead an individual into believing that the ambulance
 1615 membership contract is insurance or has been endorsed by the state or a
 1616 governmental entity:
 1617 (A) the ambulance membership organization's licensure or registration with the
 1618 department or other state department of insurance; or
 1619 (B) the ambulance membership organization's relationship to a governmental
 1620 entity; or
 1621 (iii) have a restriction on access to the ambulance membership organization,
 1622 including a waiting period or notification period.
 1623 (3) An ambulance membership organization shall make the following general disclosures in
 1624 writing, in bold, and in at least 12-point font on the first content page of an
 1625 advertisement, marketing material, or brochure the ambulance membership organization

- 1626 makes available to prospective members or the public:
- 1627 (a) the ambulance membership contract is a membership plan and is not insurance
- 1628 coverage; and
- 1629 (b) the toll-free number and website address where the ambulance membership
- 1630 organization's prospective members may obtain additional information about the
- 1631 services the ambulance membership organization offers.
- 1632 (4) An ambulance membership organization shall provide the disclosures required by
- 1633 Subsection (3) orally to an individual who makes initial contact with the ambulance
- 1634 membership organization by telephone.
- 1635 (5) Before a person enters into an ambulance membership contract with an ambulance
- 1636 membership organization, the ambulance membership organization shall mail, give, or,
- 1637 with consent of the person, email to the person a separate document that, in bold and in
- 1638 at least 12-point font, states the following disclosures:
- 1639 (a) the ambulance membership contract is not insurance coverage;
- 1640 (b) if eligible and covered under Medicare, the prospective member may consult with a
- 1641 representative of the Medicare program to determine:
- 1642 (i) the extent of applicable Medicare coverage; and
- 1643 (ii) what the prospective member's payment obligations would be if the prospective
- 1644 member were transported by ambulance;
- 1645 (c) a detailed list of each one-time and periodic fee the ambulance membership
- 1646 organization charges or will charge to the prospective member to join the ambulance
- 1647 membership organization and continue membership in the ambulance membership
- 1648 organization;
- 1649 (d) the counties and areas in this state that the ambulance membership organization
- 1650 serves, including any restrictions to specific service areas;
- 1651 (e) if, in an emergency, the prospective member is outside of the ambulance membership
- 1652 organization's service area, that the prospective member may be responsible for the
- 1653 entirety of the cost of the ambulance membership organization's services; and
- 1654 (f) if a member cancels the ambulance membership contract before 30 days after the day
- 1655 on which the member purchases the ambulance membership contract, the ambulance
- 1656 membership organization shall refund to the member:
- 1657 (i) any one-time charges the member pays that exceed \$25; and
- 1658 (ii) all periodic charges or fees that the member pays.

1659 Section 11. Section **31A-6c-401** is enacted to read:

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Part 4. Enforcement

31A-6c-401 . Suspension and revocation.

- (1) The commissioner may suspend or revoke a license issued under this chapter if the commissioner determines that the ambulance membership organization:
 - (a) fails to operate in accordance with this chapter;
 - (b) advertises, merchandises, or attempts to merchandise the ambulance membership organization's services in a manner that misrepresents the ambulance membership organization's services or capacity for service;
 - (c) engages in deceptive, misleading, or unfair practices;
 - (d) does not fulfill the ambulance membership organization's obligations as an ambulance membership organization; or
 - (e) would be hazardous to the ambulance membership organization's members if the commissioner permitted the ambulance membership organization's continued operation.
- (2) If the commissioner makes a determination under Subsection (1), the commissioner:
 - (a) shall send a written notice to the ambulance membership organization that states the grounds for suspending or revoking the ambulance membership organization's license; and
 - (b) may suspend the authority of the ambulance membership organization to enroll new members for a period of time that may not exceed 90 days for each occurrence, if the commissioner sends the ambulance membership organization a written notice of suspension that describes the conditions the ambulance membership organization shall meet before the commissioner will reinstate the ambulance membership organization's authority to enroll new members.
- (3) An ambulance membership organization may request a hearing no later than 30 days after the ambulance membership organization receives a notice under Subsection (2)(a).
- (4)(a) The commissioner may not reinstate a suspended ambulance membership organization's license unless the ambulance membership organization requests the reinstatement.
 - (b) The commissioner may not grant a request for reinstatement if the commissioner finds by a preponderance of the evidence that the circumstances that resulted in the suspension or revocation still exist or are likely to recur.
- (5) The commissioner shall take each action under this section in accordance with Title 63G, Chapter 4, Administrative Procedures Act.

1694 Section 12. Section **31A-6c-402** is enacted to read:

1695 **31A-6c-402 . Penalties.**

1696 A person that violates a provision of this chapter is subject to the penalties described in

1697 Section 31A-2-308.

1698 Section 13. **Effective Date.**

1699 This bill takes effect on January 1, 2027.