

RESERVE REFUND AMENDMENTS

2020 FIFTH SPECIAL SESSION

STATE OF UTAH

LONG TITLE**General Description:**

This bill amends provisions related to the refund of excess reserves.

Highlighted Provisions:

This bill:

- ▶ provides for the refund of excess risk pool reserves in response to an emergency.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

49-20-402, as last amended by Laws of Utah 2007, Chapter 130

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

Section 1. Section **49-20-402** is amended to read:

49-20-402. Reserves to be held -- Refunds.

(1) The reserves in a risk pool in a given fiscal year shall be maintained at the level recommended by the program's consulting actuary and approved or ratified by the board. If the reserves drop below that level, covered employers in the risk pool are required to cure any deficiency in the reserve.

(2) If substantial excess reserves are accrued above those required by this chapter, and the board determines that a refund is appropriate, a refund shall be made:

(a) to covered employers which shall then make a refund to covered individuals on the basis of the contribution of each to the plan; or

(b) directly to covered individuals on the basis of the contribution of each to the plan.

(3) Notwithstanding Subsection (2), if the Legislature and the governor, by concurrent resolution, direct a refund of excess reserves due to an emergency:

33 (a) the board shall refund the excess reserves to the state as directed by the resolution;
34 and

35 (b) may not refund excess funds to covered employers or to covered individuals.

36 Section 2. **Effective date.**

37 If approved by two-thirds of all the members elected to each house, this bill takes effect
38 upon approval by the governor, or the day following the constitutional time limit of Utah
39 Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto,
40 the date of veto override.