

31A-22-701 Groups eligible for group or blanket insurance.

- (1) As used in this section, "association group" means a lawfully formed association of individuals or business entities that:
 - (a) purchases insurance on a group basis on behalf of members; and
 - (b) is formed and maintained in good faith for purposes other than obtaining insurance.
- (2) A group accident and health insurance policy may be issued to:
 - (a) a group:
 - (i) to which a group life insurance policy may be issued under Sections 31A-22-502, 31A-22-503, 31A-22-504, 31A-22-506, 31A-22-507, and 31A-22-509; and
 - (ii) that is formed and maintained in good faith for a purpose other than obtaining insurance;
 - (b) an association group that:
 - (i) has been actively in existence for at least five years;
 - (ii) has a constitution and bylaws;
 - (iii) is formed and maintained in good faith for purposes other than obtaining insurance;
 - (iv) does not condition membership in the association group on any health status-related factor relating to an individual, including an employee of an employer or a dependent of an employee;
 - (v) makes accident and health insurance coverage offered through the association group available to all members regardless of any health status-related factor relating to the members or individuals eligible for coverage through a member;
 - (vi) does not make accident and health insurance coverage offered through the association group available other than in connection with a member of the association group; and
 - (vii) is actuarially sound; or
 - (c) a group specifically authorized by the commissioner under Section 31A-22-509, upon a finding that:
 - (i) authorization is not contrary to the public interest;
 - (ii) the group is actuarially sound;
 - (iii) formation of the proposed group may result in economies of scale in acquisition, administrative, marketing, and brokerage costs;
 - (iv) the insurance policy, insurance certificate, or other indicia of coverage that will be offered to the proposed group is substantially equivalent to insurance policies that are otherwise available to similar groups;
 - (v) the group would not present hazards of adverse selection;
 - (vi) the premiums for the insurance policy and any contributions by or on behalf of the insured persons are reasonable in relation to the benefits provided; and
 - (vii) the group is formed and maintained in good faith for a purpose other than obtaining insurance.
- (3) A blanket accident and health insurance policy:
 - (a) covers a defined class of persons;
 - (b) may not be offered or underwritten on an individual basis;
 - (c) shall cover only a group that is:
 - (i) actuarially sound; and
 - (ii) formed and maintained in good faith for a purpose other than obtaining insurance; and
 - (d) may be issued only to:
 - (i) a common carrier or an operator, owner, or lessee of a means of transportation, as policyholder, covering persons who may become passengers as defined by reference to the person's travel status;

- (ii) an employer, as policyholder, covering any group of employees, dependents, or guests, as defined by reference to specified hazards incident to any activities of the policyholder;
 - (iii) an institution of learning, including a school district, a school jurisdictional unit, or the head, principal, or governing board of a school jurisdictional unit, as policyholder, covering students, teachers, or employees;
 - (iv) a religious, charitable, recreational, educational, or civic organization, or branch of one of those organizations, as policyholder, covering a group of members or participants as defined by reference to specified hazards incident to the activities sponsored or supervised by the policyholder;
 - (v) a sports team, camp, or sponsor of a sports team or camp, as policyholder, covering members, campers, employees, officials, or supervisors;
 - (vi) a volunteer fire department, first aid, civil defense, or other similar volunteer organization, as policyholder, covering a group of members or participants as defined by reference to specified hazards incident to activities sponsored, supervised, or participated in by the policyholder;
 - (vii) a newspaper or other publisher, as policyholder, covering its carriers;
 - (viii) an association, including a labor union, that has a constitution and bylaws and that is organized in good faith for purposes other than that of obtaining insurance, as policyholder, covering a group of members or participants as defined by reference to specified hazards incident to the activities or operations sponsored or supervised by the policyholder; and
 - (ix) any other class of risks that, in the judgment of the commissioner, may be properly eligible for blanket accident and health insurance.
- (4) The judgment of the commissioner may be exercised on the basis of:
- (a) individual risks;
 - (b) a class of risks; or
 - (c) both Subsections (4)(a) and (b).

Amended by Chapter 284, 2011 General Session