

Part 10
Workers' Compensation Coverage Waivers Act

34A-2-1001 Title.

This part is known as the "Workers' Compensation Coverage Waivers Act."

Enacted by Chapter 328, 2011 General Session

34A-2-1002 Definitions.

As used in this part:

- (1) "Business entity" means:
 - (a) a sole proprietorship;
 - (b) a corporation;
 - (c) a partnership;
 - (d) a limited liability company; or
 - (e) an entity similar to one described in Subsections (1)(a) through (d).
- (2) "Waiver" means a workers' compensation coverage waiver issued under this part.

Enacted by Chapter 328, 2011 General Session

34A-2-1003 Issuance of a waiver.

- (1) The commission shall issue a workers' compensation coverage waiver to a business entity that:
 - (a) elects not to include an owner, partner, or corporate officer or director as an employee under a workers' compensation policy in accordance with Section 34A-2-103 and Subsection 34A-2-104(4);
 - (b) employs no other employee on the day on which the commission issues the waiver to the business entity;
 - (c) provides to the commission the information required by Section 34A-2-1004; and
 - (d) pays a fee established by the commission in accordance with Section 63J-1-504, except that the fee may not exceed \$50.
- (2)
 - (a) A waiver issued under this section expires one year from the day on which it is issued unless renewed by the holder of the waiver.
 - (b) To renew a waiver issued under this part, the holder of the waiver shall:
 - (i) employ no other employee on the day on which the commission renews the waiver;
 - (ii) provide to the commission the information required by Section 34A-2-1004; and
 - (iii) pay a fee established by the commission in accordance with Section 63J-1-504, except that the fee may not exceed \$50.
- (3) As of the day on which a business entity described in Subsection (1) employs an employee other than an owner, partner, or corporate officer or director described in Subsection (1)(a):
 - (a) the business entity's waiver is invalid; and
 - (b) the business entity is required to provide workers' compensation coverage for that employee in accordance with Section 34A-2-201.
- (4) The commission shall deposit a fee collected under this section in the Industrial Accident Restricted Account created in Section 34A-2-705.

- (5) Unless invalidated under Section 34A-2-1005, notwithstanding the other provisions of this section, a waiver issued by an insurer that is valid on June 30, 2011, remains valid until its expiration date.

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34A-2-1004 Information required to obtain a waiver.

To obtain or renew a waiver, a business entity shall submit to the commission:

- (1) a copy of two or more of the following:
- (a) the business entity's federal or state income tax return that shows business income for the complete taxable year that immediately precedes the day on which the business entity submits the information;
 - (b) a valid business license;
 - (c) a license to engage in an occupation or profession, including a license under Title 58, Occupations and Professions; or
 - (d) documentation of an active liability insurance policy that covers the business entity's activities; or
- (2) a copy of one item listed in Subsection (1) and a copy of two or more of the following:
- (a) proof of a bank account for the business entity;
 - (b) proof that for the business entity there is:
 - (i) a telephone number; and
 - (ii) a physical location; or
 - (c) an advertisement of services in a newspaper of general circulation or telephone directory showing the business entity's:
 - (i) name; and
 - (ii) contact information.

Enacted by Chapter 328, 2011 General Session

34A-2-1005 Enforcement.

- (1) The commission may investigate a business entity to determine whether the business entity validly elects to not cover an owner, partner, or corporate officer or director as an employee under a workers' compensation policy in accordance with Section 34A-2-103.
- (2) If the commission determines that a business entity's election as provided in this section is invalid, the commission may:
- (a) prohibit a business entity from using a waiver obtained under this part; and
 - (b) take any action provided for under this chapter or Chapter 3, Utah Occupational Disease Act, for failure to obtain workers' compensation coverage for an employee.

Enacted by Chapter 328, 2011 General Session