

# H.B. 295

## INSURANCE LAW AMENDMENTS

HOUSE FLOOR AMENDMENTS

AMENDMENT 5

FEBRUARY 7, 2007 10:35 AM

Representative **James A. Dunnigan** proposes the following amendments:

1. *Page 1, Lines 19 through 20*

*House Committee Amendments*

*1-29-2007:*

- 19           ▶       addresses groups eligible for group or blanket insurance;  
                  ▶       **modifies the Individual, Small Employer, and Group Health Insurance Act;**
- 20           ▶       removes certain references to a federal employer identification number;

2. *Page 2, Lines 34 through 35:*

34   Other Special Clauses:

- 35           { ~~None~~ }   **This bill coordinates with H.B. 340, Insurer Receivership Act, to make technical changes.**

3. *Page 3, Lines 60 through 62:*

- 60           31A-30-103, as last amended by Chapters 2 and 90, Laws of Utah 2004  
                  **31A-30-107.3, as last amended by Chapter 329, Laws of Utah 2004**
- 61           31A-30-107.5, as last amended by Chapter 188, Laws of Utah 2006  
                  **31A-30-112, as enacted by Chapter 321, Laws of Utah 1995**
- 62           31A-35-201, as last amended by Chapter 131, Laws of Utah 1999

4. *Page 64a, Line 1966bb through Page 64b, Line 1966bi*

*House Committee Amendments*

*1-29-2007:*

- 1966bb       (ii)(A) a copayment of not less than:
- 1966bc       (I) **the lesser of the cost of the prescription drug or** \$15 for the lowest level of cost for prescription drugs;
- 1966bd       (II) **the lesser of the cost of the prescription drug or** \$30 for the second level of cost for prescription drugs; and
- 1966be       (III) **the lesser of the cost of the prescription drug or** \$60 for the highest level of cost for prescription drugs; or
- 1966bf       (B) coinsurance of not less than:
- 1966bg       (I) **the lesser of the cost of the prescription drug or** 25% for the lowest level of cost for prescription

drugs;

1966bh (II) the lesser of the cost of the prescription drug or 40% for the second level of cost for  
prescription drugs; and

1966bi (III) the lesser of the cost of the prescription drug or 60% for the highest level of cost for  
prescription drugs. ←H

5. Page 77, Lines 2369 through 2374

House Committee Amendments

1-29-2007:

- 2369 (1) (a) Except as provided under Subsection (1)(b)~~[-no]~~;
- 2370 (i) a licensee under this chapter may not act in the same or any directly related
- 2371 transaction as;
- 2372 (A) a producer for the insured {~~+~~} or
- 2373 {~~(B)-a~~} consultant ; and
- (B) producer for the insurer; ~~[nor may]~~ and
- 2374 (ii) a producer for the insured or consultant may not recommend or encourage the

6. Page 98, Line 3017

House Committee Amendments

1-29-2007:

3017 policy on or after July 1, 1997.

**Section 25. Section 31A-30-107.3 is amended to read:**

**31A-30-107.3. Discontinuance and nonrenewal limitations and conditions.**

(1) (a) A carrier that elects to discontinue offering a health benefit plan under Subsection 31A-30-107(3)(e) or 31A-30-107.1(3)(e) is prohibited from writing new business:

(i) in the small employer and individual market in this state; and

(ii) for a period of five years beginning on the date of discontinuation of the last coverage that is discontinued.

(b) The prohibition described in Subsection (1)(a) may be waived if the commissioner finds that waiver is in the public interest:

(i) to promote competition; or

(ii) to resolve inequity in the marketplace.

(2) (a) If the Comprehensive Health Insurance Pool as set forth under Title 31A, Chapter 29, is dissolved or discontinued, or if enrollment is capped or suspended, an individual carrier:

(i) may elect to discontinue offering new individual health benefit plans, except to HIPAA eligibles, but must keep existing individual health benefit plans in effect, except those individual plans that are not renewed under the provisions of Subsection 31A-30-107(2) or 31A-30-107.1(2);

(ii) may elect to continue to offer new individual and small employer health benefit plans; or

(iii) may elect to discontinue all of the covered carrier's health benefit plans in the individual or small

group market under the provisions of Subsection 31A-30-107(3)(e) or 31A-30-107.1(3)(e).

(b) A carrier that makes an election under Subsection (2)(a)(i):

(i) is prohibited from writing new business:

(A) in the individual market in this state; and

(B) for a period of five years beginning on the date of discontinuation;

(ii) may continue to write new business in the small employer market; and

(iii) must provide written notice of the election under Subsection (2)(a)(i) within two calendar days of the election to the Utah Insurance Department.

(c) The prohibition described in Subsection (2)(b)(i) may be waived if the commissioner finds that waiver is in the public interest:

(i) to promote competition; or

(ii) to resolve inequity in the marketplace.

(d) A carrier that makes an election under Subsection (2)(a)(iii) is subject to the provisions of Subsection (1).

(3) If a carrier is doing business in one established geographic service area of the state, Sections 31A-30-107 and 31A-30-107.1 apply only to the carrier's operations in that geographic service area.

(4) If a small employer employs less than two eligible employees, a carrier may not discontinue or not renew the health benefit plan until the first renewal date following the beginning of a new plan year, even if the carrier knows as of the beginning of the plan year that the employer no longer has at least two current employees.

7. *Page 100, Line 3084*

*House Committee Amendments*

*1-29-2007:*

3084 31A-22-605.1(4)(a) and (4)(b).

**Section 27. Section 31A-30-112 is amended to read:**

**31A-30-112. Employee participation levels.**

(1) Except as provided in Subsection (2), requirements used by a covered carrier in determining whether to provide coverage to a small employer, including requirements for minimum participation of eligible employees and minimum employer contributions shall be applied uniformly among all small employers with the same number of eligible employees applying for coverage or receiving coverage from the covered carrier. **In addition to applying Subsection 31A-1-301(120), a covered carrier may require that a small employer have a minimum of two eligible employees to meet participation requirements.**

(2) A covered carrier may not increase any requirement for minimum employee participation or any requirement for minimum employer contribution applicable to a small employer at any time after the small employer has been accepted for coverage.

8. *Page 134, Lines 4121 through 4122:*

4121 Subsection (1)(x)(ii)(C) is not an exclusive list of real property estates or interests that are not a  
4122 security.

**Section 41. Coordinating this H.B. 295 with H.B. 340 -- Technical changes.**

**If this H.B. 295 and H.B. 340, Insurer Receivership Act, both pass, it is the intent of the Legislature that in preparing the Utah Code database for publication, the Office of the Legislative Research and General Counsel, modify Subsections 31A-27a-104(2)(k) and (l) to read:**

**"(k) viatical settlement provider; or**

**(l) viatical settlement producer."**

**Renumber remaining sections accordingly.**