

# H.B. 342

## INSURANCE CODE AMENDMENTS

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

1. *Page 12, Lines 351 through 354:*

351            [↔] (b) "Eligible employee" does not include {+} , **unless eligible under Subsection**  
352 **(50)(b): (i) {+}** an individual who works on a temporary or substitute basis for a small  
              employer {+} ; {+} {~~-~~}  
353            {+} **(ii) an employer's spouse; or {+}**  
354            {+} **(iii) a dependent of an employer. {+}**

2. *Page 47, Line 1449 through Page 48, Line 1454:*

1449            ~~{(2) A captive insurance company may not write a reimbursement policy for a service~~  
1450 ~~contract provider that is subject to this chapter. }~~  
1451            {+} (2) {+} {~~(3)~~} (a) A service contract may not be issued, sold, or offered for sale unless  
              [a true  
1452 and correct copy of the service contract and the provider's reimbursement insurance policy have  
1453 been filed with the commissioner. A copy of a contract and policy must be filed] the service  
1454 contract provider completes the registration process described in this Subsection {~~(3)~~} (2) .

3. *Page 48, Lines 1462 through 1463:*

1462            (c) A service provider shall submit the information described in Subsection {~~(3)~~} (2) (b) no  
1463 less than 30 days [~~prior to the issuance, sale offering for sale, or use of the~~] before the day on

4. *Page 48, Lines 1473 through 1481:*

1473            {+} (3) {+} {~~(4)~~} (a) Premiums collected on a service [~~contracts~~] contract are not  
              subject to  
1474 premium taxes.  
1475            (b) Premiums collected by [~~issuers~~] an issuer of a reimbursement insurance [~~policies~~]  
1476 policy are subject to premium taxes.  
1477            {+} (4) {+} {~~(5)~~} A person marketing, selling, or offering to sell a service [~~contracts~~]  
              contract  
1478 for a service contract [~~providers~~] provider that complies with this chapter is exempt from the  
1479 licensing requirements of this title.

1480 ~~[(5) Service]~~ ~~{(6)}~~ (5) A service contract [providers] provider complying with this chapter  
1481 ~~[are]~~ is not required to comply with:

5. *Page 52, Lines 1582 through 1584*

*House Committee Amendments*

*2-4-2008:*

1582 (4) ~~H→~~ ~~[A]~~ Except for a bank, savings and loan association, industrial bank, or credit  
1582a union, a ~~←H~~ service contract provider , unless licensed by the department, may not sell, or be the  
obligated party for:

1583 (a) a guaranteed asset protection waiver; ~~H→~~ ~~[or]~~ ~~←H~~

1584 (b) a debt cancellation agreement ~~H→~~ ~~[;]~~ ; or

6. *Page 62, Lines 1891 through 1913:*

1891 (2)(a) ~~{For}~~ Except as provided in Subsection (4), for the period beginning on the date of  
death and ending the day before the day

1892 described in Subsection (3)(b), interest under Subsection (1) shall accrue at a rate no less than:

1893 (i) the rate applicable to policy funds left on deposit; or

1894 (ii) if there is no rate described in Subsection (2)(a)(i), at the Two Year Treasury

1895 Constant Maturity Rate as published by the Federal Reserve.

1896 (b) The rate described in Subsection (2)(a) is the rate in effect on the day on which the  
1897 death occurs.

1898 (c) Interest is payable until the day on which the claim is paid.

1899 (3)(a) Unless the claim is paid and except as provided in Subsection (4) , beginning on the day  
described in Subsection (3)(b)

1900 and ending the day on which the claim is paid, interest shall accrue at the rate in Subsection (2)

1901 plus additional interest at the rate of 10% annually.

1902 (b) Interest accrues under Subsection (3)(a) beginning with the day that is 31 days from  
1903 the latest of:

1904 (i) the day on which the insurer receives proof of death;

1905 (ii) the day on which the insurer receives sufficient information to determine:

1906 (A) liability;

1907 (B) the extent of the liability; and

1908 (C) the appropriate payee legally entitled to the proceeds; and

1909 (iii) the day on which:

1910 (A) legal impediments to payment of proceeds that depend on the action of parties

1911 other than the insurer are resolved; and

1912 (B) the insurer receives sufficient evidence of the resolution of the legal impediments

1913 described in Subsection (3)(b)(iii)(A).

**(4) A court of competent jurisdiction may require payment of interest from the date of death to the**

day on which a claim is paid at a rate equal to the sum of:

(a) the rate specified in Subsection (2); and

(b) the legal rate identified in Subsection 15-1-1(2).

7. Page 65, Line 2004 through Page 66, Line 2021:

2004 (e) in relation to cost-sharing features for prescription drugs:  
2005 (i) (A) a deductible ~~{of}~~ not ~~{less than \$500}~~ to exceed \$1,000 per person; and  
2006 (B) for family coverage, not to exceed three times the per person deductible provided  
2007 in Subsection (4)(e)(i)(A); and  
2008 (ii) (A) a copayment of not less than:  
2009 (I) the lesser of the cost of the prescription drug or \$15 for the lowest level of cost for  
2010 prescription drugs;  
2011 (II) the lesser of the cost of the prescription drug or ~~{\$30}~~ \$25 for the second level of cost for  
2012 prescription drugs; and  
2013 (III) the lesser of the cost of the prescription drug or ~~{\$60}~~ \$35 for the highest level of cost  
2014 for prescription drugs; or  
2015 (B) coinsurance of not less than:  
2016 (I) the lesser of the cost of the prescription drug or 25% for the lowest level of cost for  
2017 prescription drugs;  
2018 (II) the lesser of the cost of the prescription drug or 40% for the second level of cost for  
2019 prescription drugs; and  
2020 (III) the lesser of the cost of the prescription drug or 60% for the highest level of cost  
2021 for prescription drugs.