

1 **REFUND OF UNEARNED HEALTH INSURANCE**
2 **PREMIUMS AND MEDICARE SUPPLEMENT**
3 **INSURANCE PREMIUMS**

4 2009 GENERAL SESSION

5 STATE OF UTAH

6 **Chief Sponsor: Paul Ray**

7 Senate Sponsor: Daniel R. Liljenquist

8
9 **LONG TITLE**

10 **Committee Note:**

11 The Health and Human Services Interim Committee recommended this bill.

12 **General Description:**

13 This bill amends provisions of the Insurance Code relating to the refund of unearned
14 health insurance premiums and Medicare supplement insurance premiums.

15 **Highlighted Provisions:**

16 This bill:

- 17 ▶ defines the term "unearned amount of the collected premium";
- 18 ▶ provides that, if a health insurance policy or a Medicare supplement policy is
19 cancelled for a reason other than a material misrepresentation, the insurer shall
20 refund the unearned amount of the collected premium;
- 21 ▶ provides that, if an insurer cancels a health insurance policy or a Medicare
22 supplement policy because of a material misrepresentation on the application, the
23 insurer shall refund all premiums collected minus claims that have been paid; and
- 24 ▶ makes technical changes.

25 **Monies Appropriated in this Bill:**

26 None

27 **Other Special Clauses:**



28 None

29 **Utah Code Sections Affected:**

30 AMENDS:

31 **31A-21-315**, as last amended by Laws of Utah 1992, Chapter 230

32

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

34 Section 1. Section **31A-21-315** is amended to read:

35 **31A-21-315. Refund of canceled health insurance premiums and Medicare**
36 **supplement insurance premiums.**

37 (1) As used in this section, "unearned amount of the collected premium" means the
38 amount of the collected premium applicable to the unexpired portion of the time period to
39 which the policy or certificate relates.

40 [~~(1)~~] (2) If [~~an insurer cancels~~] a health insurance policy or a Medicare supplement
41 policy is cancelled for a reason other than a material misrepresentation, the insurer shall refund
42 the unearned [~~portion~~] amount of the collected premium.

43 [~~(2)~~] (3) If an insurer cancels a health insurance policy or a Medicare supplement
44 policy because of a material misrepresentation on the application, the insurer shall refund all
45 premiums collected minus claims that have been paid.

Legislative Review Note
as of 10-20-08 10:35 AM

Office of Legislative Research and General Counsel

Fiscal Note**H.B. 33 - Refund of Unearned Health Insurance Premiums and Medicare Supplement Insurance Premiums**

2009 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.
