

H.B. 40

UTAH LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION AMENDMENTS

HOUSE FLOOR AMENDMENTS

AMENDMENT 2

JANUARY 27, 2010 9:56 AM

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

1. *Page 7, Lines 188 through 195:*

188 (B) not an affiliate of the member insurer; ~~{-and-}~~

189 [(xii)] (xi) a portion of a policy or contract to the extent it provides for interest or other
190 changes in value:

191 (A) to be determined by the use of an index or other external reference stated in the
192 policy or contract; and

193 (B) (I) that have not been credited to the policy or contract; or

194 (II) as to which the policy or contract owner's rights are subject to forfeiture as of the
195 date the member insurer becomes an impaired or insolvent insurer under this part ~~{-}~~ **; and**

(x) a policy providing hospital, medical, prescription drug, or other health care benefit pursuant to United States Code, Title 42, Subchapter XVIII, Chapter 7, Part C or D, or federal regulations issued under Part C or D.

2. *Page 7, Lines 203 through 205:*

203 (B) if the insurer received a valid request for cash surrender before the coverage date

204 but has not paid the cash surrender value before the coverage date, ~~{+}~~ \$200,000 ~~{+}~~ ~~{-\$250,000}~~
of

205 cash surrender benefits; or

3. *Page 10, Line 304 through Page 11, Line 316:*

304 ~~{(8)}~~ (9) (a) "Covered portion" means:

305 (i) for ~~[any]~~ a covered policy that has a cash surrender value, a fraction ~~[obtained by~~
306 ~~dividing]~~ calculated with:

307 (A) ~~the numerator being~~ the lesser of:

308 (I) (Aa) ~~{+}~~ \$200,000 ~~{+}~~ **for a life insurance policy; and**
(Bb) \$250,000 **for a covered policy that is not a life insurance policy** ; or

309 (II) the cash surrender value of the policy; ~~[by]~~ and

310 (B) ~~the denominator being~~ the cash surrender value of the policy; and

311 (ii) for ~~[any]~~ a covered policy that does not have a cash surrender value, a fraction

312 ~~[obtained by dividing]~~ calculated with:

- 313 (A) the numerator being the lesser of:
- 314 (I) (Aa) {+} \$200,000 {+} for a life insurance policy; or
- (Bb) \$250,000 for a covered policy that is not a life insurance policy ; or
- 315 (II) the policy's minimum statutory reserve; [by] and
- 316 (B) the denominator being the policy's minimum statutory reserve.