

WORKERS' COMPENSATION FUND SUBSIDIARY

AMENDMENTS

2011 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: J. Stuart Adams

House Sponsor: _____

LONG TITLE

General Description:

This bill amends the Insurance Code to address the authority of a subsidiary of the Workers' Compensation Fund.

Highlighted Provisions:

This bill:

- ▶ permits a subsidiary of the Workers' Compensation Fund to become licensed to write and to write ~~§~~→ **commercial** ←~~§~~ property or casualty insurance on a risk located in Utah; and
- ▶ makes technical and conforming amendments.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

31A-33-103.5, as last amended by Laws of Utah 2001, Chapters 33 and 116

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

Section 1. Section **31A-33-103.5** is amended to read:

31A-33-103.5. Powers of fund -- Limitations.

S.B. 64



59 (A) ~~§~~→ **commercial** ←~~§~~ property insurance; or
60 (B) ~~§~~→ **commercial** ←~~§~~ casualty insurance, including a surety or other bond; and
61 (ii) once licensed under this title, to write:
62 (A) ~~§~~→ **commercial** ←~~§~~ property insurance; or
63 (B) ~~§~~→ **commercial** ←~~§~~ casualty insurance, including a surety or other bond.
64 (4) The fund shall write workers' compensation insurance in accordance with Section
65 31A-22-1001.

66 (5) (a) The fund may enter into a joint enterprise that offers workers' compensation
67 insurance and other coverage only in the state, provided:
68 (i) the joint enterprise offers only property or liability insurance in addition to workers'
69 compensation insurance;
70 (ii) the fund may not bear any insurance risk associated with the insurance coverage
71 other than risk associated with workers' compensation insurance; and
72 (iii) the offer of other insurance shall be part of an insurance program that includes
73 workers' compensation insurance coverage that is provided by the fund.

74 (b) The fund or a subsidiary of the fund may not offer, or enter into a joint enterprise
75 that offers, or otherwise participate in the offering of accident and health insurance.

76 (6) The fund shall operate a subsidiary of the fund that writes ~~§~~→ **commercial** ←~~§~~ property
76a or casualty
77 insurance under Subsection (3)(c):
78 (a) as a separate for-profit entity that is taxable to the extent otherwise provided by law;
79 and
80 (b) in manner compatible with the fund's:
81 (i) federal tax exempt status under Section 501(c)(27)(B), Internal Revenue Code; and
82 (ii) obligation to comply with Section 31A-22-1001.

Legislative Review Note
as of 2-2-11 11:44 AM

Office of Legislative Research and General Counsel