

**INSURANCE AMENDMENTS**

2013 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jim Bird**

Senate Sponsor: Evan J. Vickers

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**LONG TITLE**

**General Description:**

This bill modifies the Insurance Code to address cancellation and refund of premium.

**Highlighted Provisions:**

This bill:

- ▶ addresses refund of premium for cancelled errors and omissions insurance.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

ENACTS:

**31A-22-1309**, Utah Code Annotated 1953

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

Section 1. Section **31A-22-1309** is enacted to read:

**31A-22-1309. Return of unearned premium upon cancellation of errors and omissions insurance.**

(1) As used in this section, "unearned premium" means the amount of the premium that is collected by the insurer in excess of premium earned as of the date of the cancellation of the errors and omissions insurance policy.



28           (2) For an errors and omissions policy issued on or after May 14, 2013, the  
29 policyholder may cancel the errors and omissions insurance policy before its expiration or  
30 renewal date.

31           (3) If the errors and omissions insurance policy is cancelled as provided in Subsection  
32 (2), the insurer shall refund the unearned premium to the policyholder minus any charge  
33 imposed by the insurer.

34           (4) The insurer shall pay the amount due under Subsection (3) by no later than 30 days  
35 from the day on which the errors and omissions insurance policy is cancelled.

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**Legislative Review Note**  
as of 9-27-12 10:34 AM

**Office of Legislative Research and General Counsel**