

59 (B) workers' compensation insurance coverage through:

60 (I) the Workers' Compensation Fund; or

61 (II) a subsidiary of the fund in accordance with Section 31A-33-103.5.

62 (b) "Workers' compensation products and services" does not include the bearing of any

63 insurance risk associated with insurance coverage.

64 Section 2. Section 31A-33-103.5 is amended to read:

65 **31A-33-103.5. Powers of fund -- Limitations.**

66 (1) The fund may form or acquire subsidiaries or enter into a joint enterprise:

67 (a) in accordance with Section 31A-33-107; and

68 (b) except as limited by this section and applicable insurance rules and statutes.

69 (2) Subject to applicable insurance rules and statutes, the fund may only offer:

70 (a) workers' compensation insurance and, subject to Subsection (5)(b) ~~§~~ → [(iii)] ← ~~§~~ .

70a reinsurance

71 in Utah;

72 (b) workers' compensation insurance and ~~§~~ → workers' compensation ← ~~§~~ reinsurance in a

72a state other than Utah [~~to the~~

73 ~~extent necessary to~~];

74 [~~(i) accomplish its purpose under Subsection 31A-33-102(1)(b); and~~

75 [~~(ii) provide workers' compensation or occupational disease insurance coverage to Utah~~

76 ~~employers and their employees engaged in interstate commerce; and~~

77 (c) death, disability, or medical benefits arising from an industrial accident or

78 occupational disease arising from employment in Utah or other states; and

79 [~~(e)~~] (d) workers' compensation products and services in Utah or other states.

80 (3) Subject to applicable law, including insurance rules and statutes, a subsidiary of the

81 fund [~~may~~] shall operate in Utah or a state other than Utah as a for profit, taxable business

82 enterprise.

83 [~~(a) offer workers' compensation insurance coverage only;~~

84 [~~(i) in a state other than Utah; and~~

85 [~~(ii) (A) to insure the following against liability for compensation based on job-related~~

86 ~~accidental injuries and occupational diseases;~~

87 [~~(F) an employer, as defined in Section 34A-2-103, that has a majority of its employees,~~

88 ~~as defined in Section 34A-2-104, hired or regularly employed in Utah;~~

89 [~~(H) an employer, as defined in Section 34A-2-103, whose principal administrative~~

90 office is located in Utah;]

91 [(H) a subsidiary or affiliate of an employer described in Subsection (3)(a)(ii)(A)(I) or

92 (H); or]

93 [(IV) an employer, as defined in Section ~~34A-2-103~~, whose purchase of insurance

94 arises solely out of the purchase of workers' compensation products and services from the fund

95 or a fund subsidiary; or]

96 [(B) for a state fund organization that is not an admitted insurer in the other state;]

97 [(I) on a fee for service basis; and]

98 [(H) without bearing any insurance risk; and]

99 [(b) offer workers' compensation products and services in Utah and other states.]

100 (4) The fund shall write workers' compensation insurance in accordance with Section

101 ~~31A-22-1001~~.

102 (5) (a) The fund may enter into a joint enterprise that offers workers' compensation
103 insurance and other coverage [~~only in the state~~], provided:

104 (i) the joint enterprise offers only property or liability insurance in addition to workers'
105 compensation insurance;

106 (ii) the fund may not bear any insurance risk associated with the insurance coverage
107 other than risk associated with workers' compensation insurance; and

108 (iii) the offer of other insurance shall be part of an insurance program that includes
109 workers' compensation insurance coverage that is provided by the fund.

110 (b) [~~The~~] (i) ~~§~~ → Subject to Subsection (5)(b)(ii), the ~~The~~ ← ~~§~~ fund or a subsidiary of the
110a fund may

111 not offer, or enter into a joint enterprise that offers, or otherwise participate in the offering of
112 accident and health insurance ~~§~~ → or administer a health benefit plan ← ~~§~~ .

113 (ii) ~~§~~ → [~~The~~] Subject to Subsection (5)(b)(i), the ← ~~§~~ fund or a subsidiary of the fund may
113a serve as a reinsurer or reinsurance

114 intermediary for medical or disability costs or exposures assumed by a self-insured employer in
115 Utah.

116 Section 3. Section ~~31A-33-106~~ is amended to read:

117 **31A-33-106. Board of directors -- Status of the fund in relationship to the state.**

118 (1) There is created a board of directors of the Workers' Compensation Fund.

119 (2) The board shall consist of seven directors.

120 (3) Subject to Subsection (8), one director: