

H.B. 24

INSURANCE MODIFICATIONS

HOUSE FLOOR AMENDMENTS

AMENDMENT 2

JANUARY 29, 2015 5:13 PM

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

1. *Page 1, Line 11:*

11 This bill modifies the Insurance Code and provisions citing the Insurance Code .

2. *Page 3, Line 75:*

75 ▶ addresses stop-loss insurance coverage standards; ~~{-and}~~
▶ extends the Defined Contribution Risk Adjuster Act; and

3. *Page 4, Lines 114 through 115:*

114 31A-43-301, as last amended by Laws of Utah 2014, Chapters 290 and 300
= 63I-2-231, as last amended by Laws of Utah 2013, Chapter 341
115 ENACTS:

4. *Page 71, Lines 2173 through 2181:*

2173 ~~{-(d) The board of directors of a domestic insurer shall establish one or more committees~~
2174 ~~composed solely of directors who are not officers or employees of the insurer or of any entity~~
2175 ~~controlling, controlled by, or under common control with the insurer and who are not beneficial~~
2176 ~~owners of a controlling interest in the voting stock of the insurer or any such entity. The one or~~
2177 ~~more committees shall have responsibility for nominating candidates for director for election~~
2178 ~~by shareholders or policyholders, evaluating the performance of officers considered to be~~
2179 ~~principal officers of the insurer and recommending to the board of directors the selection and~~
2180 ~~compensation of the principal officers.}~~
2181 ~~{(e) Subsections (3)(c) and (d) do}~~ (d) Subsection (3)(c) does not apply to a domestic
insurer if the person

5. *Page 71, Lines 2184 through 2185:*

2184 the requirements of ~~{Subsections (3)(c) and (d)}~~ Subsection (3)(c) with respect to the controlling
entity.
2185 ~~{(f)}~~ (e) An insurer may make application to the commissioner for a waiver from the

6. *Page 75, Lines 2316 through 2320:*

2316 (2) ~~{Neither the}~~ The commissioner ~~{nor}~~ and any person who received

documents, materials, or
2317 other information while acting under the authority of the commissioner or with whom the
2318 documents, materials, or other information are shared pursuant to this chapter shall {be
2319 permitted or required to testify in any private civil action concerning} keep confidential any
confidential
2320 documents, materials, or information subject to Subsection (1).

7. Page 78, Lines 2403 through 2410:

2403 (4) Whenever it appears to the commissioner that an insurer or any director, officer,
2404 employee, or agent of the insurer has committed a willful violation of this chapter, the
2405 commissioner may {~~cause criminal proceedings to be instituted by the~~} refer the case to the
appropriate prosecutor . Venue for the criminal action shall be in the Third District Court of
2406 Salt Lake County, against the insurer or the responsible director, officer, employee, or agent of
2407 the insurer. An insurer that willfully violates this chapter may be fined not more than \$250,000
2408 notwithstanding Section 31A-2-308. An individual who willfully violates this chapter may be
2409 fined in the individual's individual capacity not more than \$100,000 notwithstanding Section
2410 31A-2-308 and is guilty of a third-degree felony.

8. Page 86, Lines 2650 through 2655:

2650 (4) {~~Neither the~~} The commissioner {~~nor~~} and any person who received
documents, materials, or
2651 other own risk and solvency assessment related information, through examination or otherwise,
2652 while acting under the authority of the commissioner or with whom such documents, materials,
2653 or other information are shared pursuant to this chapter shall {~~be permitted or required to testify~~
2654 in any private civil action concerning} keep confidential any confidential documents, materials, or
information
2655 subject to Subsection (1).

9. Page 108, Lines 3332 through 3335:

3332 (2) An insurer may not exercise any right of subrogation against an insolvent insurer's
3333 insured if exercise of the right would require the insured, or a guaranty fund under {~~Chapter 28;~~
3334 Guaranty Associations;} this chapter to pay an amount the insolvent insurer is obligated to pay under
an
3335 insurance policy issued to the insured , except that an insurer may exercise a right of subrogation for the
amount the subrogation claim exceeds the guaranty association obligation limitations .

10. Page 142, Line 4392:

4392 (b) pay claims directly to an individual employee, member, or participant.

= **Section 55. Section 63I-2-231 is amended to read:**

63I-2-231. Repeal dates, Title 31A.

(1) Section 31A-22-315.5 is repealed July 1, 2016.

(2) Title 31A, Chapter 42, Defined Contribution Risk Adjuster Act, is repealed July 1,

~~{2015}~~ **2016** .

Renumber remaining sections accordingly.

11. Page 143, Lines 4401 through 4403:

4401 Section 55. Effective date.

4402 This bill takes effect on May 12, 2015, except that :

(1) the amendments in this bill to

4403 Section 31A-3-304 (Effective 07/01/15) take effect on July 1, 2015 {~~2015~~} ; and

(2) the enactment of the following sections in this bill take effect on January 1, 2017:

(a) Section 31A-16a-101;

(b) Section 31A-16a-102;

(c) Section 31A-16a-103;

(d) Section 31A-16a-104;

(e) Section 31A-16a-105;

(f) Section 31A-16a-106;

(g) Section 31A-16a-107;

(h) Section 31A-16a-108;

(i) Section 31A-16a-109; and

(j) Section 31A-16a-110. =