

1 **WORKERS' COMPENSATION FUND REVISIONS**

2 2017 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Curtis S. Bramble**

5 House Sponsor: Val L. Peterson

7 **LONG TITLE**

8 **General Description:**

9 This bill repeals the statute creating the Workers' Compensation Fund and makes
10 conforming amendments.

11 **Highlighted Provisions:**

12 This bill:

- 13 ▶ repeals the statute creating the Workers' Compensation Fund;
- 14 ▶ removes statutory references to the Workers' Compensation Fund;
- 15 ▶ addresses the obligation to write workers' compensation insurance and residual
16 market mechanisms;
- 17 ▶ provides for the Workers' Compensation Fund's transition to a mutual corporation;
- 18 ▶ modifies membership on the workers' compensation advisory council;
- 19 ▶ addresses methods to obtain workers' compensation insurance;
- 20 ▶ amends the provision addressing penalty for failure to obtain workers'
21 compensation;
- 22 ▶ modifies the provision addressing exemptions for employees temporarily in state;
- 23 ▶ addresses continuing education requirements for contractor licensees; and
- 24 ▶ makes technical and conforming amendments.

25 **Money Appropriated in this Bill:**

26 None

27 **Other Special Clauses:**

28 This bill provides a special effective date.

29 This bill provides revisor instructions.

30 **Utah Code Sections Affected:**

31 AMENDS:

- 32 **11-8-3**, as last amended by Laws of Utah 2000, Chapter 222
- 33 **31A-1-105**, as last amended by Laws of Utah 2000, Chapter 222
- 34 **31A-15-103**, as last amended by Laws of Utah 2015, Chapter 238
- 35 **31A-19a-401**, as last amended by Laws of Utah 2000, Chapter 222
- 36 **31A-21-101**, as last amended by Laws of Utah 2011, Chapter 297
- 37 **31A-22-309**, as last amended by Laws of Utah 2008, Chapter 162
- 38 **31A-22-1001**, as last amended by Laws of Utah 2000, Chapter 222
- 39 **31A-26-103**, as last amended by Laws of Utah 2000, Chapter 222
- 40 **31A-35-103**, as last amended by Laws of Utah 2016, Chapter 234
- 41 **31A-40-209**, as last amended by Laws of Utah 2014, Chapters 290 and 300
- 42 **34A-2-102**, as last amended by Laws of Utah 2008, Chapter 90
- 43 **34A-2-103**, as last amended by Laws of Utah 2016, Chapter 370
- 44 **34A-2-107**, as last amended by Laws of Utah 2016, Chapter 242
- 45 **34A-2-201**, as last amended by Laws of Utah 2000, Chapter 222
- 46 **34A-2-203**, as last amended by Laws of Utah 2012, Chapter 347
- 47 **34A-2-210**, as enacted by Laws of Utah 1997, Chapter 375
- 48 **34A-2-211**, as last amended by Laws of Utah 2009, Chapter 288
- 49 **34A-2-406**, as last amended by Laws of Utah 2000, Chapter 222
- 50 **49-12-203**, as last amended by Laws of Utah 2015, Chapters 315 and 364
- 51 **49-13-203**, as last amended by Laws of Utah 2015, Chapters 315 and 364
- 52 **49-22-203**, as last amended by Laws of Utah 2015, Chapters 315 and 364
- 53 **51-7-2**, as last amended by Laws of Utah 2015, Chapter 319
- 54 **51-7-4**, as last amended by Laws of Utah 2013, Chapter 388
- 55 **53-2a-802**, as last amended by Laws of Utah 2015, Chapter 352
- 56 **58-55-302.5**, as last amended by Laws of Utah 2016, Chapter 260
- 57 **59-9-101**, as last amended by Laws of Utah 2016, Chapter 135

- 58 **63A-3-401**, as last amended by Laws of Utah 2016, Chapters 233 and 382
- 59 **63E-1-102**, as last amended by Laws of Utah 2015, Chapters 223, 226, 283, and 411
- 60 **63E-1-203**, as last amended by Laws of Utah 2016, Chapter 348
- 61 **63I-4a-102**, as last amended by Laws of Utah 2015, Chapters 223, 226, 283, and 411
- 62 **63J-2-102**, as last amended by Laws of Utah 2016, Chapter 120
- 63 **63J-7-102**, as last amended by Laws of Utah 2015, Chapters 223, 226, 283, and 411
- 64 **67-4-2**, as last amended by Laws of Utah 2000, Chapter 222

65 ENACTS:

- 66 **31A-22-1014**, Utah Code Annotated 1953
- 67 **49-11-624**, Utah Code Annotated 1953

68 REPEALS:

- 69 **31A-33-101**, as last amended by Laws of Utah 2015, Chapter 427
- 70 **31A-33-102**, as last amended by Laws of Utah 2000, Chapter 222
- 71 **31A-33-103**, as last amended by Laws of Utah 2000, Chapter 222
- 72 **31A-33-103.5**, as last amended by Laws of Utah 2015, Chapter 427
- 73 **31A-33-104**, as last amended by Laws of Utah 2012, Chapter 347
- 74 **31A-33-105**, as last amended by Laws of Utah 1998, Chapter 107
- 75 **31A-33-106**, as last amended by Laws of Utah 2016, Chapters 110 and 348
- 76 **31A-33-107**, as last amended by Laws of Utah 2016, Chapter 110
- 77 **31A-33-108**, as last amended by Laws of Utah 2003, Chapter 252
- 78 **31A-33-109**, as renumbered and amended by Laws of Utah 1996, Chapter 240
- 79 **31A-33-110**, as last amended by Laws of Utah 1997, Chapter 204
- 80 **31A-33-111**, as last amended by Laws of Utah 1999, Chapter 130
- 81 **31A-33-112**, as renumbered and amended by Laws of Utah 1996, Chapter 240
- 82 **31A-33-113**, as last amended by Laws of Utah 2001, Chapter 116
- 83 **31A-33-114**, as renumbered and amended by Laws of Utah 1996, Chapter 240
- 84 **31A-33-115**, as renumbered and amended by Laws of Utah 1996, Chapter 240
- 85 **31A-33-116**, as renumbered and amended by Laws of Utah 1996, Chapter 240

86 31A-33-117, as last amended by Laws of Utah 1997, Chapter 375

87 31A-33-118, as last amended by Laws of Utah 1998, Chapter 107

88 **Utah Code Sections Affected by Revisor Instructions:**

89 31A-22-1001, as enacted by Laws of Utah 1985, Chapter 242

90 31A-22-1014, Utah Code Annotated 1953

91 49-11-624, Utah Code Annotated 1953



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

94 Section 1. Section 11-8-3 is amended to read:

95 **11-8-3. Department of Environmental Quality to negotiate loans for sewage**
96 **facilities.**

97 (1) The Department of Environmental Quality may negotiate loans from the Retirement
98 Systems Fund, State Land Principal Fund, [~~Workers' Compensation Fund,~~] or any state trust
99 and agency fund which has sums available for loaning, as these funds are defined in Title 51,
100 Chapter 5, Funds Consolidation Act, not to exceed \$1,000,000 in any fiscal year for the
101 purposes of providing the funding for the loans provided for in Section 11-8-2.

102 (2) The terms of any borrowing and repayment shall be negotiated between the
103 borrower and the lender consistent with the legal duties of the lender.

104 Section 2. Section 31A-1-105 is amended to read:

105 **31A-1-105. Presumption of jurisdiction.**

106 (1) Any insurer[~~, including the Workers' Compensation Fund created under Chapter 33;~~
107 ~~Workers' Compensation Fund,~~] that provides coverage of a resident of this state, property
108 located in this state, or a business activity conducted in this state, or that engages in any activity
109 described in Subsections 31A-15-102(2)(a) through (h), is:

110 (a) doing an insurance business in this state; and

111 (b) subject to the jurisdiction of the insurance commissioner and the courts of this state
112 under Sections 31A-2-309 and 31A-2-310 to the extent of that coverage or activity.

113 (2) Any person doing or purporting to do an insurance business in this state as defined

114 in Section 31A-1-301 is subject to the jurisdiction of the insurance commissioner and this title,
115 unless the insurer can establish that the exemptions of Section 31A-1-103 apply.

116 (3) This section does not limit the jurisdiction of the courts of this state under other
117 applicable law.

118 Section 3. Section 31A-15-103 is amended to read:

119 **31A-15-103. Surplus lines insurance -- Unauthorized insurers.**

120 (1) Notwithstanding Section 31A-15-102, a foreign insurer that has not obtained a
121 certificate of authority to do business in this state under Section 31A-14-202 may negotiate for
122 and make an insurance contract with a person in this state and on a risk located in this state,
123 subject to the limitations and requirements of this section.

124 (2) (a) For a contract made under this section, the insurer may, in this state:

125 (i) inspect the risks to be insured;

126 (ii) collect premiums;

127 (iii) adjust losses; and

128 (iv) do another act reasonably incidental to the contract.

129 (b) An act described in Subsection (2)(a) may be done through:

130 (i) an employee; or

131 (ii) an independent contractor.

132 (3) (a) Subsections (1) and (2) do not permit a person to solicit business in this state on
133 behalf of an insurer that has no certificate of authority.

134 (b) Insurance placed with a nonadmitted insurer shall be placed with a surplus lines
135 producer licensed under Chapter 23a, Insurance Marketing - Licensing Producers, Consultants,
136 and Reinsurance Intermediaries.

137 (c) The commissioner may by rule prescribe how a surplus lines producer may:

138 (i) pay or permit the payment, commission, or other remuneration on insurance placed
139 by the surplus lines producer under authority of the surplus lines producer's license to one
140 holding a license to act as an insurance producer; and

141 (ii) advertise the availability of the surplus lines producer's services in procuring, on

142 behalf of a person seeking insurance, a contract with a nonadmitted insurer.

143 (4) For a contract made under this section, a nonadmitted insurer is subject to Sections
144 31A-23a-402, 31A-23a-402.5, and 31A-23a-403 and the rules adopted under those sections.

145 (5) A nonadmitted insurer may not issue workers' compensation insurance coverage to
146 an employer located in this state, except for stop loss coverage issued to an employer securing
147 workers' compensation under Subsection 34A-2-201[(3)](2).

148 (6) (a) The commissioner may by rule prohibit making a contract under Subsection (1)
149 for a specified class of insurance if authorized insurers provide an established market for the
150 class in this state that is adequate and reasonably competitive.

151 (b) The commissioner may by rule place a restriction or a limitation on and create
152 special procedures for making a contract under Subsection (1) for a specified class of insurance
153 if:

154 (i) there have been abuses of placements in the class; or

155 (ii) the policyholders in the class, because of limited financial resources, business
156 experience, or knowledge, cannot protect their own interests adequately.

157 (c) The commissioner may prohibit an individual insurer from making a contract under
158 Subsection (1) and all insurance producers from dealing with the insurer if:

159 (i) the insurer willfully violates:

160 (A) this section;

161 (B) Section 31A-4-102, 31A-23a-402, 31A-23a-402.5, or 31A-26-303; or

162 (C) a rule adopted under a section listed in Subsection (6)(c)(i)(A) or (B);

163 (ii) the insurer fails to pay the fees and taxes specified under Section 31A-3-301; or

164 (iii) the commissioner has reason to believe that the insurer is:

165 (A) in an unsound condition;

166 (B) operated in a fraudulent, dishonest, or incompetent manner; or

167 (C) in violation of the law of its domicile.

168 (d) (i) The commissioner may issue one or more lists of unauthorized foreign insurers
169 whose:

- 170 (A) solidity the commissioner doubts; or
- 171 (B) practices the commissioner considers objectionable.
- 172 (ii) The commissioner shall issue one or more lists of unauthorized foreign insurers the
173 commissioner considers to be reliable and solid.
- 174 (iii) In addition to the lists described in Subsections (6)(d)(i) and (ii), the commissioner
175 may issue other relevant evaluations of unauthorized insurers.
- 176 (iv) An action may not lie against the commissioner or an employee of the department
177 for a written or oral communication made in, or in connection with the issuance of, a list or
178 evaluation described in this Subsection (6)(d).
- 179 (e) A foreign unauthorized insurer shall be listed on the commissioner's "reliable" list
180 only if the unauthorized insurer:
- 181 (i) delivers a request to the commissioner to be on the list;
- 182 (ii) establishes satisfactory evidence of good reputation and financial integrity;
- 183 (iii) (A) delivers to the commissioner a copy of the unauthorized insurer's current
184 annual statement certified by the insurer; and
- 185 (B) continues each subsequent year to file its annual statements with the commissioner
186 within 60 days of the day on which it is filed with the insurance regulatory authority where the
187 insurer is domiciled;
- 188 (iv) (A) (I) is in substantial compliance with the solvency standards in Chapter 17, Part
189 6, Risk-Based Capital, or maintains capital and surplus of at least \$15,000,000, whichever is
190 greater; and
- 191 (II) maintains in the United States an irrevocable trust fund in either a national bank or
192 a member of the Federal Reserve System, or maintains a deposit meeting the statutory deposit
193 requirements for insurers in the state where it is made, which trust fund or deposit:
- 194 (Aa) shall be in an amount not less than \$2,500,000 for the protection of all of the
195 insurer's policyholders in the United States;
- 196 (Bb) may consist of cash, securities, or investments of substantially the same character
197 and quality as those which are "qualified assets" under Section [31A-17-201](#); and

198 (Cc) may include as part of the trust arrangement a letter of credit that qualifies as
199 acceptable security under Section 31A-17-404.1; or

200 (B) in the case of any "Lloyd's" or other similar incorporated or unincorporated group
201 of alien individual insurers, maintains a trust fund that:

202 (I) shall be in an amount not less than \$50,000,000 as security to its full amount for all
203 policyholders and creditors in the United States of each member of the group;

204 (II) may consist of cash, securities, or investments of substantially the same character
205 and quality as those which are "qualified assets" under Section 31A-17-201; and

206 (III) may include as part of this trust arrangement a letter of credit that qualifies as
207 acceptable security under Section 31A-17-404.1; and

208 (v) for an alien insurer not domiciled in the United States or a territory of the United
209 States, is listed on the Quarterly Listing of Alien Insurers maintained by the National
210 Association of Insurance Commissioners International Insurers Department.

211 (7) (a) Subject to Subsection (7)(b), a surplus lines producer may not, either knowingly
212 or without reasonable investigation of the financial condition and general reputation of the
213 insurer, place insurance under this section with:

- 214 (i) a financially unsound insurer;
- 215 (ii) an insurer engaging in unfair practices; or
- 216 (iii) an otherwise substandard insurer.

217 (b) A surplus line producer may place insurance under this section with an insurer
218 described in Subsection (7)(a) if the surplus line producer:

- 219 (i) gives the applicant notice in writing of the known deficiencies of the insurer or the
220 limitations on the surplus line producer's investigation; and
- 221 (ii) explains the need to place the business with that insurer.

222 (c) A copy of the notice described in Subsection (7)(b) shall be kept in the office of the
223 surplus line producer for at least five years.

224 (d) To be financially sound, an insurer shall satisfy standards that are comparable to
225 those applied under the laws of this state to an authorized insurer.

226 (e) An insurer on the "doubtful or objectionable" list under Subsection (6)(d) or an
227 insurer not on the commissioner's "reliable" list under Subsection (6)(e) is presumed
228 substandard.

229 (8) (a) A policy issued under this section shall:

230 (i) include a description of the subject of the insurance; and

231 (ii) indicate:

232 (A) the coverage, conditions, and term of the insurance;

233 (B) the premium charged the policyholder;

234 (C) the premium taxes to be collected from the policyholder; and

235 (D) the name and address of the policyholder and insurer.

236 (b) If the direct risk is assumed by more than one insurer, the policy shall state:

237 (i) the names and addresses of all insurers; and

238 (ii) the portion of the entire direct risk each assumes.

239 (c) A policy issued under this section shall have attached or affixed to the policy the
240 following statement: "The insurer issuing this policy does not hold a certificate of authority to
241 do business in this state and thus is not fully subject to regulation by the Utah insurance
242 commissioner. This policy receives no protection from any of the guaranty associations created
243 under Title 31A, Chapter 28, Guaranty Associations."

244 (9) Upon placing a new or renewal coverage under this section, a surplus lines
245 producer shall promptly deliver to the policyholder or the policyholder's agent evidence of the
246 insurance consisting either of:

247 (a) the policy as issued by the insurer; or

248 (b) if the policy is not available upon placing the coverage, a certificate, cover note, or
249 other confirmation of insurance complying with Subsection (8).

250 (10) If the commissioner finds it necessary to protect the interests of insureds and the
251 public in this state, the commissioner may by rule subject a policy issued under this section to
252 as much of the regulation provided by this title as is required for a comparable policy written
253 by an authorized foreign insurer.

254 (11) (a) A surplus lines transaction in this state shall be examined to determine whether
255 it complies with:

256 (i) the surplus lines tax levied under Chapter 3, Department Funding, Fees, and Taxes;

257 (ii) the solicitation limitations of Subsection (3);

258 (iii) the requirement of Subsection (3) that placement be through a surplus lines
259 producer;

260 (iv) placement limitations imposed under Subsections (6)(a), (b), and (c); and

261 (v) the policy form requirements of Subsections (8) and (10).

262 (b) The examination described in Subsection (11)(a) shall take place as soon as
263 practicable after the transaction. The surplus lines producer shall submit to the examiner
264 information necessary to conduct the examination within a period specified by rule.

265 (c) (i) The examination described in Subsection (11)(a) may be conducted by the
266 commissioner or by an advisory organization created under Section [31A-15-111](#) and authorized
267 by the commissioner to conduct these examinations. The commissioner is not required to
268 authorize an additional advisory organization to conduct an examination under this Subsection
269 (11)(c).

270 (ii) The commissioner's authorization of one or more advisory organizations to act as
271 examiners under this Subsection (11)(c) shall be:

272 (A) by rule; and

273 (B) evidenced by a contract, on a form provided by the commissioner, between the
274 authorized advisory organization and the department.

275 (d) (i) (A) A person conducting the examination described in Subsection (11)(a) shall
276 collect a stamping fee of an amount not to exceed 1% of the policy premium payable in
277 connection with the transaction.

278 (B) A stamping fee collected by the commissioner shall be deposited in the General
279 Fund.

280 (C) The commissioner shall establish a stamping fee by rule.

281 (ii) A stamping fee collected by an advisory organization is the property of the advisory

282 organization to be used in paying the expenses of the advisory organization.

283 (iii) Liability for paying a stamping fee is as required under Subsection 31A-3-303(1)
284 for taxes imposed under Section 31A-3-301.

285 (iv) The commissioner shall adopt a rule dealing with the payment of stamping fees. If
286 a stamping fee is not paid when due, the commissioner or advisory organization may impose a
287 penalty of 25% of the stamping fee due, plus 1-1/2% per month from the time of default until
288 full payment of the stamping fee.

289 (v) A stamping fee relative to a policy covering a risk located partially in this state
290 shall be allocated in the same manner as under Subsection 31A-3-303(4).

291 (e) The commissioner, representatives of the department, advisory organizations,
292 representatives and members of advisory organizations, authorized insurers, and surplus lines
293 insurers are not liable for damages on account of statements, comments, or recommendations
294 made in good faith in connection with their duties under this Subsection (11)(e) or under
295 Section 31A-15-111.

296 (f) An examination conducted under this Subsection (11) and a document or materials
297 related to the examination are confidential.

298 (12) (a) For a surplus lines insurance transaction in the state entered into on or after
299 May 13, 2014, if an audit is required by the surplus lines insurance policy, a surplus lines
300 insurer:

301 (i) shall exercise due diligence to initiate an audit of an insured, to determine whether
302 additional premium is owed by the insured, by no later than six months after the expiration of
303 the term for which premium is paid; and

304 (ii) may not audit an insured more than three years after the surplus lines insurance
305 policy expires.

306 (b) A surplus lines insurer that does not comply with this Subsection (12) may not
307 charge or collect additional premium in excess of the premium agreed to under the surplus
308 lines insurance policy.

309 Section 4. Section 31A-19a-401 is amended to read:

310 **31A-19a-401. Scope of part.**

311 (1) This part applies to workers' compensation insurance and employers' liability
312 insurance written in connection with [it] workers' compensation insurance.

313 (2) [~~All insurers~~] An insurer writing workers' compensation coverage[, ~~including the~~
314 ~~Workers' Compensation Fund created under Chapter 33, Workers' Compensation Fund, are~~] is
315 subject to this part.

316 Section 5. Section **31A-21-101** is amended to read:

317 **31A-21-101. Scope of Chapters 21 and 22.**

318 (1) Except as provided in Subsections (2) through (6), this chapter and Chapter 22,
319 Contracts in Specific Lines, apply to all insurance policies, applications, and certificates:

- 320 (a) delivered or issued for delivery in this state;
321 (b) on property ordinarily located in this state;
322 (c) on persons residing in this state when the policy is issued; or
323 (d) on business operations in this state.

324 (2) This chapter and Chapter 22, Contracts in Specific Lines, do not apply to:

- 325 (a) an exemption provided in Section [31A-1-103](#);
326 (b) an insurance policy procured under Sections [31A-15-103](#) and [31A-15-104](#);
327 (c) an insurance policy on business operations in this state:
328 (i) if:
329 (A) the contract is negotiated primarily outside this state; and
330 (B) the operations in this state are incidental or subordinate to operations outside this
331 state; and
332 (ii) except that insurance required by a Utah statute shall conform to the statutory
333 requirements; or
334 (d) other exemptions provided in this title.

335 (3) (a) Sections [31A-21-102](#), [31A-21-103](#), [31A-21-104](#), Subsections [31A-21-107](#)(1)
336 and (3), and Sections [31A-21-306](#), [31A-21-308](#), [31A-21-312](#), and [31A-21-314](#) apply to ocean
337 marine and inland marine insurance.

338 (b) Section 31A-21-201 applies to inland marine insurance that is written according to
339 manual rules or rating plans.

340 (4) A group or blanket policy is subject to this chapter and Chapter 22, Contracts in
341 Specific Lines, except:

342 (a) a group or blanket policy outside the scope of this title under Subsection
343 31A-1-103(3)(h); and

344 (b) other exemptions provided under Subsection (5).

345 (5) The commissioner may by rule exempt any class of insurance contract or class of
346 insurer from any or all of the provisions of this chapter and Chapter 22, Contracts in Specific
347 Lines, if the interests of the Utah insureds, creditors, or the public would not be harmed by the
348 exemption.

349 (6) Workers' compensation insurance[~~, including that written by the Workers'~~
350 ~~Compensation Fund created under Chapter 33, Workers' Compensation Fund,~~] is subject to this
351 chapter and Chapter 22, Contracts in Specific Lines.

352 (7) Unless clearly inapplicable, any provision of this chapter or Chapter 22, Contracts
353 in Specific Lines, applicable to either a policy or a contract is applicable to both.

354 Section 6. Section 31A-22-309 is amended to read:

355 **31A-22-309. Limitations, exclusions, and conditions to personal injury**
356 **protection.**

357 (1) (a) A person who has or is required to have direct benefit coverage under a policy
358 which includes personal injury protection may not maintain a cause of action for general
359 damages arising out of personal injuries alleged to have been caused by an automobile
360 accident, except where the person has sustained one or more of the following:

361 (i) death;

362 (ii) dismemberment;

363 (iii) permanent disability or permanent impairment based upon objective findings;

364 (iv) permanent disfigurement; or

365 (v) medical expenses to a person in excess of \$3,000.

366 (b) Subsection (1)(a) does not apply to a person making an uninsured motorist claim.

367 (2) (a) Any insurer issuing personal injury protection coverage under this part may only
368 exclude from this coverage benefits:

369 (i) for any injury sustained by the insured while occupying another motor vehicle
370 owned by or furnished for the regular use of the insured or a resident family member of the
371 insured and not insured under the policy;

372 (ii) for any injury sustained by any person while operating the insured motor vehicle
373 without the express or implied consent of the insured or while not in lawful possession of the
374 insured motor vehicle;

375 (iii) to any injured person, if the person's conduct contributed to ~~[his]~~ the person's
376 injury:

377 (A) by intentionally causing injury to ~~[himself]~~ the person; or

378 (B) while committing a felony;

379 (iv) for any injury sustained by any person arising out of the use of any motor vehicle
380 while located for use as a residence or premises;

381 (v) for any injury due to war, whether or not declared, civil war, insurrection, rebellion
382 or revolution, or to any act or condition incident to any of the foregoing; or

383 (vi) for any injury resulting from the radioactive, toxic, explosive, or other hazardous
384 properties of nuclear materials.

385 (b) ~~[The provisions of this subsection do]~~ This Subsection (2) does not limit the
386 exclusions ~~[which]~~ that may be contained in other types of coverage.

387 (3) The benefits payable to any injured person under Section [31A-22-307](#) are reduced
388 by:

389 (a) any benefits which that person receives or is entitled to receive as a result of an
390 accident covered in this code under any workers' compensation or similar statutory plan; and

391 (b) any amounts which that person receives or is entitled to receive from the United
392 States or any of its agencies because that person is on active duty in the military service.

393 (4) When a person injured is also an insured party under any other policy, including

394 those policies complying with this part, primary coverage is given by the policy insuring the
395 motor vehicle in use during the accident.

396 (5) (a) Payment of the benefits provided for in Section 31A-22-307 shall be made on a
397 monthly basis as expenses are incurred.

398 (b) Benefits for any period are overdue if they are not paid within 30 days after the
399 insurer receives reasonable proof of the fact and amount of expenses incurred during the
400 period. If reasonable proof is not supplied as to the entire claim, the amount supported by
401 reasonable proof is overdue if not paid within 30 days after that proof is received by the
402 insurer. Any part or all of the remainder of the claim that is later supported by reasonable proof
403 is also overdue if not paid within 30 days after the proof is received by the insurer.

404 (c) If the insurer fails to pay the expenses when due, these expenses shall bear interest
405 at the rate of 1-1/2% per month after the due date.

406 (d) The person entitled to the benefits may bring an action in contract to recover the
407 expenses plus the applicable interest. If the insurer is required by the action to pay any overdue
408 benefits and interest, the insurer is also required to pay a reasonable attorney's fee to the
409 claimant.

410 (6) (a) Except as provided in Subsection (6)(b), every policy providing personal injury
411 protection coverage is subject to the following:

412 (i) that where the insured under the policy is or would be held legally liable for the
413 personal injuries sustained by any person to whom benefits required under personal injury
414 protection have been paid by another insurer, [~~including the Workers' Compensation Fund
415 created under Chapter 33, Workers' Compensation Fund,~~] the insurer of the person who would
416 be held legally liable shall reimburse the other insurer for the payment, but not in excess of the
417 amount of damages recoverable; and

418 (ii) that the issue of liability for that reimbursement and its amount shall be decided by
419 mandatory, binding arbitration between the insurers.

420 (b) There shall be no right of reimbursement between insurers under Subsection (6)(a)
421 if the insurer of the person who would be held legally liable for the personal injuries sustained

422 has tendered its policy limit.

423 (c) (i) If the insurer of the person who would be held legally liable for the personal
424 injuries sustained reimburses a no-fault insurer prior to settling a third party liability claim with
425 an injured person and subsequently determines that some or all of the reimbursed amount is
426 needed to settle a third party claim, the insurer of the person who would be held legally liable
427 for the personal injuries sustained shall provide written notice to the no-fault insurer that some
428 or all of the reimbursed amount is needed to settle a third party liability claim.

429 (ii) The written notice described under Subsection (6)(c)(i) shall:

430 (A) identify the amount of the reimbursement that is needed to settle a third party
431 liability claim;

432 (B) provide notice to the no-fault insurer that the no-fault insurer has 15 days to return
433 the amount described in Subsection (6)(c)(ii)(A); and

434 (C) identify the third party liability insurer that the returned amount shall be paid to.

435 (iii) A no-fault insurer that receives a notice under this Subsection (6)(c) shall return
436 the portion of the reimbursement identified under Subsection (6)(c)(ii) to the third party
437 liability insurer identified under Subsection (6)(c)(ii)(C) within 15 business days from receipt
438 of a notice under this Subsection (6)(c).

439 Section 7. Section **31A-22-1001** is amended to read:

440 **31A-22-1001. Obligation to write workers' compensation insurance.**

441 (1) As used in this section, "Workers' Compensation Fund" means the mutual
442 corporation that is the successor to the quasi-public corporation created under Chapter 33,
443 Workers' Compensation Fund, which is the chapter repealed by this bill.

444 (2) The Workers' Compensation Fund [~~created under Chapter 33, Workers'~~
445 ~~Compensation Fund,~~] shall write all workers' compensation insurance for which application is
446 made to the Workers' Compensation Fund[. ~~This requirement does not apply to any other~~
447 ~~insurer.~~] until the time designated by the commissioner, but no later than December 31, 2020.
448 As a condition of the rights granted under this Subsection (2), the Workers' Compensation
449 Fund agrees to provide notice by no later than July 1, 2018, if the Workers' Compensation

450 Fund does not intend to seek a contract under Subsection (3).

451 (3) (a) Before entering the contract required under Subsection (3)(b), the commissioner
452 shall work with the Workers' Compensation Fund and other workers' compensation insurance
453 carriers to determine what constitutes the residual market within this state. After consulting
454 with the Workers' Compensation Fund and other workers' compensation insurance carriers, the
455 commissioner shall make the final decision of how to define the residual market. As part of the
456 process of determining the residual market, the commissioner may make reasonable requests of
457 data from the Workers' Compensation Fund and other workers' compensation insurance
458 carriers.

459 (b) Beginning no later than January 1, 2021, the commissioner shall enter into a
460 contract with a workers' compensation insurance carrier to write all workers' compensation
461 insurance for which application is made to the workers' compensation insurance carrier.

462 (c) The commissioner shall comply with Title 63G, Chapter 6a, Utah Procurement
463 Code, in selecting the workers' compensation insurance carrier described in Subsection (3)(b).
464 Criteria the commissioner may consider include:

465 (i) the rating of the workers' compensation insurance carrier by a nationally recognized
466 statistical ratings organization;

467 (ii) the financial size category of the workers' compensation insurance carrier as
468 determined by a nationally recognized statistical ratings organization;

469 (iii) the length of time the workers' compensation insurance carrier has held a
470 certificate of authority and has been active in the Utah workers' compensation insurance
471 market; and

472 (iv) the workers' compensation insurance carrier's demonstration of the intent to
473 provide statewide:

474 (A) safety consultation, employer training ability, and accident prevention expertise;

475 (B) claims handling, medical case management, rehabilitation, cost containment, and
476 employee return to work capabilities; and

477 (C) physical offices and electronic access for the convenience of Utah employers and

478 employees.

479 (d) A contract entered into under this Subsection (3) shall:

480 (i) notwithstanding Section 63G-6a-1204, be for a term of at least 10 years;

481 (ii) provide for an option to renew the contract;

482 (iii) require a workers' compensation insurance carrier with whom the commissioner

483 contracts to provide notice that the workers' compensation carrier will not seek to renew the

484 contract at least three years before the end of the contract; and

485 (iv) contain other terms necessary to ensure that the workers' compensation insurance

486 carrier awarded the contract will provide workers' compensation insurance to the residual

487 market.

488 (4) The commissioner shall annually submit a written report in accordance with

489 Section 68-3-14 to the Business and Labor Interim Committee by no later than October 1 that:

490 (a) describes the status of the commissioner's activities under Subsection (3); and

491 (b) the need, if any, for legislation to address the residual market.

492 Section 8. Section 31A-22-1014 is enacted to read:

493 **31A-22-1014. Conversion of Workers' Compensation Fund to mutual insurance**

494 **corporation.**

495 (1) As used in this section, "Workers' Compensation Fund" means the mutual

496 corporation that is the successor to the quasi-public corporation created under Chapter 33,

497 Workers' Compensation Fund, which is the chapter repealed by this bill.

498 (2) As a consequence of the repeal of Chapter 33, Workers' Compensation Fund,

499 effective January 1, 2018:

500 (a) The Workers' Compensation Fund shall convert from a quasi-public corporation to

501 a mutual insurance corporation subject to Chapter 5, Domestic Stock and Mutual Insurance

502 Corporations.

503 (b) On or before December 31, 2017, the Workers' Compensation Fund shall file

504 amended and restated articles of incorporation with the Department of Insurance and the

505 Division of Corporations and Commercial Code that comply with Chapter 5, Domestic Stock

506 and Mutual Insurance Corporations.

507 (c) Following the filing of the Workers' Compensation Fund's amended and restated
508 articles of incorporation, if the commissioner determines that the Workers' Compensation Fund
509 complies with Chapter 5, Domestic Stock and Mutual Insurance Corporations, the
510 commissioner shall:

511 (i) reissue a certificate of authority effective January 1, 2018, for the Workers'
512 Compensation Fund to write workers' compensation insurance in Utah as a mutual insurance
513 corporation; and

514 (ii) reauthorize the Workers' Compensation Fund's existing filings, rates, forms, or
515 other administrative matters on file with the department as a result of, or related to, Workers'
516 Compensation Fund's existing insurance business in the state, so that the filings, rates, forms,
517 or other administrative matters on file shall be effective January 1, 2018, with respect to the
518 Workers' Compensation Fund's insurance business activities as a mutual insurance corporation.

519 (d) The Workers' Compensation Fund may adopt and conduct business under any name
520 that complies with state law.

521 (3) Subject to Subsection (2), the commissioner may, because of the Workers'
522 Compensation Fund's developed status, waive or otherwise not impose requirements imposed
523 on mutual insurance corporations by Chapter 5, Domestic Stock and Mutual Insurance
524 Corporations, to facilitate the conversion of the Workers' Compensation Fund to a mutual
525 insurance corporation effective January 1, 2018, so long as the commissioner finds those
526 requirements unnecessary to protect policyholders and the public.

527 (4) (a) From and after the Workers' Compensation Fund's conversion to a mutual
528 insurance corporation, the Workers' Compensation Fund shall retain title to all assets of, and
529 remain responsible for all liabilities incurred by, the Workers' Compensation Fund as a
530 quasi-public corporation before the Workers' Compensation Fund conversion described in this
531 section.

532 (b) The state is not liable for the expenses, liabilities, or debts of:

533 (i) the mutual insurance company described in this section;

534 (ii) the nonprofit, quasi-public corporation that preceded the mutual insurance
535 company; or

536 (iii) a subsidiary or joint enterprise involving the mutual insurance company or
537 quasi-public corporation.

538 Section 9. Section **31A-26-103** is amended to read:

539 **31A-26-103. Workers' compensation claims.**

540 In addition to being subject to this and other chapters of this title, insurers writing
541 workers' compensation insurance in this state[~~, including the Workers' Compensation Fund~~
542 ~~created under Chapter 33, Workers' Compensation Fund,~~] are subject to the Labor Commission
543 with respect to claims for and payment of compensation and benefits.

544 Section 10. Section **31A-35-103** is amended to read:

545 **31A-35-103. Exemption from other provisions of this title.**

546 Bail bond agencies are exempted from:

547 (1) Chapter 3, Department Funding, Fees, and Taxes, except Section [31A-3-103](#);

548 (2) Chapter 4, Insurers in General, except Sections [31A-4-102](#), [31A-4-103](#), [31A-4-104](#),
549 and [31A-4-107](#);

550 (3) Chapter 5, Domestic Stock and Mutual Insurance Corporations, except Section
551 [31A-5-103](#);

552 (4) Chapter 6a, Service Contracts;

553 (5) Chapter 6b, Guaranteed Asset Protection Waiver Act;

554 (6) Chapter 7, Nonprofit Health Service Insurance Corporations;

555 (7) Chapter 8, Health Maintenance Organizations and Limited Health Plans;

556 (8) Chapter 8a, Health Discount Program Consumer Protection Act;

557 (9) Chapter 9, Insurance Fraternal;

558 (10) Chapter 10, Annuities;

559 (11) Chapter 11, Motor Clubs;

560 (12) Chapter 12, State Risk Management Fund;

561 [~~(13) Chapter 13, Employee Welfare Funds and Plans;~~]

- 562 [~~(14)~~] (13) Chapter 14, Foreign Insurers;
- 563 [~~(15)~~] (14) Chapter 15, Unauthorized Insurers, Surplus Lines, and Risk Retention
- 564 Groups;
- 565 [~~(16)~~] (15) Chapter 16, Insurance Holding Companies;
- 566 [~~(17)~~] (16) Chapter 17, Determination of Financial Condition;
- 567 [~~(18)~~] (17) Chapter 18, Investments;
- 568 [~~(19)~~] (18) Chapter 19a, Utah Rate Regulation Act;
- 569 [~~(20)~~] (19) Chapter 20, Underwriting Restrictions;
- 570 [~~(21)~~] (20) Chapter 23b, Navigator License Act;
- 571 [~~(22)~~] (21) Chapter 25, Third Party Administrators;
- 572 [~~(23)~~] (22) Chapter 26, Insurance Adjusters;
- 573 [~~(24)~~] (23) Chapter 27, Delinquency Administrative Action Provisions;
- 574 [~~(25)~~] (24) Chapter 27a, Insurer Receivership Act;
- 575 [~~(26)~~] (25) Chapter 28, Guaranty Associations;
- 576 [~~(27)~~] (26) Chapter 30, Individual, Small Employer, and Group Health Insurance Act;
- 577 [~~(28)~~] (27) Chapter 31, Insurance Fraud Act;
- 578 [~~(29)~~] (28) Chapter 32a, Medical Care Savings Account Act;
- 579 [~~(30) Chapter 33, Workers' Compensation Fund;~~]
- 580 [~~(31)~~] (29) Chapter 34, Voluntary Health Insurance Purchasing Alliance Act;
- 581 [~~(32)~~] (30) Chapter 36, Life Settlements Act;
- 582 [~~(33)~~] (31) Chapter 37, Captive Insurance Companies Act;
- 583 [~~(34)~~] (32) Chapter 37a, Special Purpose Financial Captive Insurance Company Act;
- 584 [~~(35)~~] (33) Chapter 38, Federal Health Care Tax Credit Program Act;
- 585 [~~(36)~~] (34) Chapter 39, Interstate Insurance Product Regulation Compact;
- 586 [~~(37)~~] (35) Chapter 40, Professional Employer Organization Licensing Act;
- 587 [~~(38)~~] (36) Chapter 41, Title Insurance Recovery, Education, and Research Fund Act;
- 588 [~~(39)~~] (37) Chapter 42, Defined Contribution Risk Adjuster Act; and
- 589 [~~(40)~~] (38) Chapter 43, Small Employer Stop-Loss Insurance Act.

590 Section 11. Section 31A-40-209 is amended to read:

591 **31A-40-209. Workers' compensation.**

592 (1) In accordance with Section 34A-2-103, a client is responsible for securing workers'
593 compensation coverage for a covered employee.

594 (2) Subject to the requirements of Section 34A-2-103, if a professional employer
595 organization obtains or assists a client in obtaining workers' compensation insurance pursuant
596 to a professional employer agreement:

597 (a) the professional employer organization shall ensure that the client maintains and
598 provides workers' compensation coverage for a covered employee in accordance with
599 Subsection 34A-2-201(1) [~~or (2)~~] and rules of the Labor Commission, made in accordance with
600 Title 63G, Chapter 3, Utah Administrative Rulemaking Act;

601 (b) the workers' compensation coverage may show the professional employer
602 organization as the named insured through a master policy, if:

603 (i) the client is shown as an insured by means of an endorsement for each individual
604 client;

605 (ii) the experience modification of a client is used; and

606 (iii) the insurer files the endorsement with the Division of Industrial Accidents as
607 directed by a rule of the Labor Commission, made in accordance with Title 63G, Chapter 3,
608 Utah Administrative Rulemaking Act;

609 (c) at the termination of the professional employer agreement, if requested by the
610 client, the insurer shall provide the client records regarding the loss experience related to
611 workers' compensation insurance provided to a covered employee pursuant to the professional
612 employer agreement; and

613 (d) the insurer shall notify a client if the workers' compensation coverage for the client
614 is terminated.

615 (3) In accordance with Section 34A-2-105, the exclusive remedy provisions of Section
616 34A-2-105 apply to both the client and the professional employer organization under a
617 professional employer agreement regulated under this chapter.

618 (4) Notwithstanding the other provisions in this section, an insurer may choose whether
619 to issue:

620 (a) a policy for a client; or

621 (b) a master policy with the client shown as an additional insured by means of an
622 individual endorsement.

623 Section 12. Section **34A-2-102** is amended to read:

624 **34A-2-102. Definition of terms.**

625 (1) As used in this chapter:

626 (a) "Average weekly wages" means the average weekly wages as determined under
627 Section [34A-2-409](#).

628 (b) "Award" means a final order of the commission as to the amount of compensation
629 due:

630 (i) an injured employee; or

631 (ii) a dependent of a deceased employee.

632 (c) "Compensation" means the payments and benefits provided for in this chapter or
633 Chapter 3, Utah Occupational Disease Act.

634 (d) (i) "Decision" means a ruling of:

635 (A) an administrative law judge; or

636 (B) in accordance with Section [34A-2-801](#):

637 (I) the commissioner; or

638 (II) the Appeals Board.

639 (ii) "Decision" includes:

640 (A) an award or denial of a medical, disability, death, or other related benefit under this
641 chapter or Chapter 3, Utah Occupational Disease Act; or

642 (B) another adjudicative ruling in accordance with this chapter or Chapter 3, Utah
643 Occupational Disease Act.

644 (e) "Director" means the director of the division, unless the context requires otherwise.

645 (f) "Disability" means an administrative determination that may result in an entitlement

646 to compensation as a consequence of becoming medically impaired as to function. Disability
647 can be total or partial, temporary or permanent, industrial or nonindustrial.

648 (g) "Division" means the Division of Industrial Accidents.

649 (h) "Impairment" is a purely medical condition reflecting an anatomical or functional
650 abnormality or loss. Impairment may be either temporary or permanent, industrial or
651 nonindustrial.

652 (i) "Order" means an action of the commission that determines the legal rights, duties,
653 privileges, immunities, or other interests of one or more specific persons, but not a class of
654 persons.

655 (j) (i) "Personal injury by accident arising out of and in the course of employment"
656 includes an injury caused by the willful act of a third person directed against an employee
657 because of the employee's employment.

658 (ii) "Personal injury by accident arising out of and in the course of employment" does
659 not include a disease, except as the disease results from the injury.

660 (k) "Safe" and "safety," as applied to employment or a place of employment, means the
661 freedom from danger to the life or health of employees reasonably permitted by the nature of
662 the employment.

663 ~~[(1) "Workers' Compensation Fund" means the nonprofit, quasi-public corporation
664 created in Title 31A, Chapter 33, Workers' Compensation Fund.]~~

665 (2) As used in this chapter and Chapter 3, Utah Occupational Disease Act:

666 (a) "Brother or sister" includes a half brother or sister.

667 (b) "Child" includes:

668 (i) a posthumous child; or

669 (ii) a child legally adopted prior to an injury.

670 Section 13. Section **34A-2-103** is amended to read:

671 **34A-2-103. Employers enumerated and defined -- Regularly employed --**
672 **Statutory employers -- Exceptions.**

673 (1) (a) The state, and each county, city, town, and school district in the state are

674 considered employers under this chapter and Chapter 3, Utah Occupational Disease Act.

675 (b) For the purposes of the exclusive remedy in this chapter and Chapter 3, Utah
676 Occupational Disease Act, prescribed in Sections 34A-2-105 and 34A-3-102, the state is
677 considered to be a single employer and includes any office, department, agency, authority,
678 commission, board, institution, hospital, college, university, or other instrumentality of the
679 state.

680 (2) (a) [~~Except as provided in Subsection (4)~~] Subject to the other provisions of this
681 section, each person, including each public utility and each independent contractor, who
682 regularly employs one or more workers or operatives in the same business, or in or about the
683 same establishment, under any contract of hire, express or implied, oral or written, is
684 considered an employer under this chapter and Chapter 3, Utah Occupational Disease Act.

685 (b) As used in this Subsection (2):

686 (i) "Independent contractor" means any person engaged in the performance of any work
687 for another who, while so engaged, is:

688 (A) independent of the employer in all that pertains to the execution of the work;

689 (B) not subject to the routine rule or control of the employer;

690 (C) engaged only in the performance of a definite job or piece of work; and

691 (D) subordinate to the employer only in effecting a result in accordance with the
692 employer's design.

693 (ii) "Regularly" includes all employments in the usual course of the trade, business,
694 profession, or occupation of the employer, whether continuous throughout the year or for only a
695 portion of the year.

696 (3) (a) The client under a professional employer organization agreement regulated
697 under Title 31A, Chapter 40, Professional Employer Organization Licensing Act:

698 (i) is considered the employer of a covered employee; and

699 (ii) subject to Section 31A-40-209, shall secure workers' compensation benefits for a
700 covered employee by complying with Subsection 34A-2-201(1) [~~or (2)~~] and commission rules.

701 (b) The division shall promptly inform the Insurance Department if the division has

702 reason to believe that a professional employer organization is not in compliance with
703 Subsection 34A-2-201(1) [~~or (2)~~] and commission rules.

704 (4) A domestic employer who does not employ one employee or more than one
705 employee at least 40 hours per week is not considered an employer under this chapter and
706 Chapter 3, Utah Occupational Disease Act.

707 (5) (a) As used in this Subsection (5):

708 (i) (A) "Agricultural employer" means a person who employs agricultural labor as
709 defined in Subsections 35A-4-206(1) and (2) and does not include employment as provided in
710 Subsection 35A-4-206(3) [~~; and~~].

711 (B) Notwithstanding Subsection (5)(a)(i)(A), only for purposes of determining who is a
712 member of the employer's immediate family under Subsection (5)(a)(ii), if the agricultural
713 employer is a corporation, partnership, or other business entity, "agricultural employer" means
714 an officer, director, or partner of the business entity[;].

715 (ii) "Employer's immediate family" means:

716 (A) an agricultural employer's:

717 (I) spouse;

718 (II) grandparent;

719 (III) parent;

720 (IV) sibling;

721 (V) child;

722 (VI) grandchild;

723 (VII) nephew; or

724 (VIII) niece;

725 (B) a spouse of any person provided in Subsections (5)(a)(ii)(A)(II) through (VIII); or

726 (C) an individual who is similar to those listed in Subsection (5)(a)(ii)(A) or (B) as
727 defined by rules of the commission [~~; and~~].

728 (iii) "Nonimmediate family" means a person who is not a member of the employer's
729 immediate family.

730 (b) For purposes of this chapter and Chapter 3, Utah Occupational Disease Act, an
731 agricultural employer is not considered an employer of a member of the employer's immediate
732 family.

733 (c) For purposes of this chapter and Chapter 3, Utah Occupational Disease Act, an
734 agricultural employer is not considered an employer of a nonimmediate family employee if:

735 (i) for the previous calendar year the agricultural employer's total annual payroll for all
736 nonimmediate family employees was less than \$8,000; or

737 (ii) (A) for the previous calendar year the agricultural employer's total annual payroll
738 for all nonimmediate family employees was equal to or greater than \$8,000 but less than
739 \$50,000; and

740 (B) the agricultural employer maintains insurance that covers job-related injuries of the
741 employer's nonimmediate family employees in at least the following amounts:

742 (I) \$300,000 liability insurance, as defined in Section [31A-1-301](#); and

743 (II) \$5,000 for health care benefits similar to benefits under health care insurance as
744 defined in Section [31A-1-301](#).

745 (d) For purposes of this chapter and Chapter 3, Utah Occupational Disease Act, an
746 agricultural employer is considered an employer of a nonimmediate family employee if:

747 (i) for the previous calendar year the agricultural employer's total annual payroll for all
748 nonimmediate family employees is equal to or greater than \$50,000; or

749 (ii) (A) for the previous year the agricultural employer's total payroll for nonimmediate
750 family employees was equal to or exceeds \$8,000 but is less than \$50,000; and

751 (B) the agricultural employer fails to maintain the insurance required under Subsection
752 (5)(c)(ii)(B).

753 (6) An employer of agricultural laborers or domestic servants who is not considered an
754 employer under this chapter and Chapter 3, Utah Occupational Disease Act, may come under
755 this chapter and Chapter 3, Utah Occupational Disease Act, by complying with:

756 (a) this chapter and Chapter 3, Utah Occupational Disease Act; and

757 (b) the rules of the commission.

758 (7) (a) (i) As used in this Subsection (7)(a), "employer" includes any of the following
759 persons that procures work to be done by a contractor notwithstanding whether or not the
760 person directly employs a person:

761 (A) a sole proprietorship;

762 (B) a corporation;

763 (C) a partnership;

764 (D) a limited liability company; or

765 (E) a person similar to one described in Subsections (7)(a)(i)(A) through (D).

766 (ii) If an employer procures any work to be done wholly or in part for the employer by
767 a contractor over whose work the employer retains supervision or control, and this work is a
768 part or process in the trade or business of the employer, the contractor, all persons employed by
769 the contractor, all subcontractors under the contractor, and all persons employed by any of
770 these subcontractors, are considered employees of the original employer for the purposes of
771 this chapter and Chapter 3, Utah Occupational Disease Act.

772 (b) Any person who is engaged in constructing, improving, repairing, or remodeling a
773 residence that the person owns or is in the process of acquiring as the person's personal
774 residence may not be considered an employee or employer solely by operation of Subsection
775 (7)(a).

776 (c) A partner in a partnership or an owner of a sole proprietorship is not considered an
777 employee under Subsection (7)(a) if the employer who procures work to be done by the
778 partnership or sole proprietorship obtains and relies on either:

779 (i) a valid certification of the partnership's or sole proprietorship's compliance with
780 Section [34A-2-201](#) indicating that the partnership or sole proprietorship secured the payment of
781 workers' compensation benefits pursuant to Section [34A-2-201](#); or

782 (ii) if a partnership or sole proprietorship with no employees other than a partner of the
783 partnership or owner of the sole proprietorship, a workers' compensation coverage waiver
784 issued pursuant to Part 10, Workers' Compensation Coverage Waivers Act, stating that:

785 (A) the partnership or sole proprietorship is customarily engaged in an independently

786 established trade, occupation, profession, or business; and

787 (B) the partner or owner personally waives the partner's or owner's entitlement to the
788 benefits of this chapter and Chapter 3, Utah Occupational Disease Act, in the operation of the
789 partnership or sole proprietorship.

790 (d) A director or officer of a corporation is not considered an employee under
791 Subsection (7)(a) if the director or officer is excluded from coverage under Subsection
792 34A-2-104(4).

793 (e) A contractor or subcontractor is not an employee of the employer under Subsection
794 (7)(a), if the employer who procures work to be done by the contractor or subcontractor obtains
795 and relies on either:

796 (i) a valid certification of the contractor's or subcontractor's compliance with Section
797 34A-2-201; or

798 (ii) if a partnership, corporation, or sole proprietorship with no employees other than a
799 partner of the partnership, officer of the corporation, or owner of the sole proprietorship, a
800 workers' compensation coverage waiver issued pursuant to Part 10, Workers' Compensation
801 Coverage Waivers Act, stating that:

802 (A) the partnership, corporation, or sole proprietorship is customarily engaged in an
803 independently established trade, occupation, profession, or business; and

804 (B) the partner, corporate officer, or owner personally waives the partner's, corporate
805 officer's, or owner's entitlement to the benefits of this chapter and Chapter 3, Utah
806 Occupational Disease Act, in the operation of the partnership's, corporation's, or sole
807 proprietorship's enterprise under a contract of hire for services.

808 (f) (i) For purposes of this Subsection (7)(f), "eligible employer" means a person who:

809 (A) is an employer; and

810 (B) procures work to be done wholly or in part for the employer by a contractor,
811 including:

812 (I) all persons employed by the contractor;

813 (II) all subcontractors under the contractor; and

814 (III) all persons employed by any of these subcontractors.

815 (ii) Notwithstanding the other provisions in this Subsection (7), if the conditions of
816 Subsection (7)(f)(iii) are met, an eligible employer is considered an employer for purposes of
817 Section 34A-2-105 of the contractor, subcontractor, and all persons employed by the contractor
818 or subcontractor described in Subsection (7)(f)(i)(B).

819 (iii) Subsection (7)(f)(ii) applies if the eligible employer:

820 (A) under Subsection (7)(a) is liable for and pays workers' compensation benefits as an
821 original employer under Subsection (7)(a) because the contractor or subcontractor fails to
822 comply with Section 34A-2-201;

823 (B) (I) secures the payment of workers' compensation benefits for the contractor or
824 subcontractor pursuant to Section 34A-2-201;

825 (II) procures work to be done that is part or process of the trade or business of the
826 eligible employer; and

827 (III) does the following with regard to a written workplace accident and injury
828 reduction program that meets the requirements of Subsection 34A-2-111(3)(d):

829 (Aa) adopts the workplace accident and injury reduction program;

830 (Bb) posts the workplace accident and injury reduction program at the work site at
831 which the eligible employer procures work; and

832 (Cc) enforces the workplace accident and injury reduction program according to the
833 terms of the workplace accident and injury reduction program; or

834 (C) (I) obtains and relies on:

835 (Aa) a valid certification described in Subsection (7)(c)(i) or (7)(e)(i);

836 (Bb) a workers' compensation coverage waiver described in Subsection (7)(c)(ii) or
837 (7)(e)(ii); or

838 (Cc) proof that a director or officer is excluded from coverage under Subsection
839 34A-2-104(4);

840 (II) is liable under Subsection (7)(a) for the payment of workers' compensation benefits
841 if the contractor or subcontractor fails to comply with Section 34A-2-201;

842 (III) procures work to be done that is part or process in the trade or business of the
843 eligible employer; and

844 (IV) does the following with regard to a written workplace accident and injury
845 reduction program that meets the requirements of Subsection 34A-2-111(3)(d):

846 (Aa) adopts the workplace accident and injury reduction program;

847 (Bb) posts the workplace accident and injury reduction program at the work site at
848 which the eligible employer procures work; and

849 (Cc) enforces the workplace accident and injury reduction program according to the
850 terms of the workplace accident and injury reduction program.

851 (8) (a) For purposes of this Subsection (8), "unincorporated entity" means an entity
852 organized or doing business in the state that is not:

853 (i) an individual;

854 (ii) a corporation; or

855 (iii) publicly traded.

856 (b) For purposes of this chapter and Chapter 3, Utah Occupational Disease Act, an
857 unincorporated entity that is required to be licensed under Title 58, Chapter 55, Utah
858 Construction Trades Licensing Act, is presumed to be the employer of each individual who
859 holds, directly or indirectly, an ownership interest in the unincorporated entity.

860 Notwithstanding Subsection (7)(c) and Subsection 34A-2-104(3), the unincorporated entity
861 shall provide the individual who holds the ownership interest workers' compensation coverage
862 under this chapter and Chapter 3, Utah Occupational Disease Act, unless the presumption is
863 rebutted under Subsection (8)(c).

864 (c) Pursuant to rules made by the commission in accordance with Title 63G, Chapter 3,
865 Utah Administrative Rulemaking Act, an unincorporated entity may rebut the presumption
866 under Subsection (8)(b) for an individual by establishing by clear and convincing evidence that
867 the individual:

868 (i) is an active manager of the unincorporated entity;

869 (ii) directly or indirectly holds at least an 8% ownership interest in the unincorporated

870 entity; or

871 (iii) is not subject to supervision or control in the performance of work by:

872 (A) the unincorporated entity; or

873 (B) a person with whom the unincorporated entity contracts.

874 (d) As part of the rules made under Subsection (8)(c), the commission may define:

875 (i) "active manager";

876 (ii) "directly or indirectly holds at least an 8% ownership interest"; and

877 (iii) "subject to supervision or control in the performance of work."

878 (9) (a) As used in this Subsection (9), "home and community based services" means

879 one or more of the following services provided to an individual with a disability or to the

880 individual's family that helps prevent the individual with a disability from being placed in a

881 more restrictive setting:

882 (i) respite care;

883 (ii) skilled nursing;

884 (iii) nursing assistant services;

885 (iv) home health aide services;

886 (v) personal care and attendant services;

887 (vi) other in-home care, such as support for the daily activities of the individual with a

888 disability;

889 (vii) specialized in-home training for the individual with a disability or a family

890 member of the individual with a disability;

891 (viii) specialized in-home support, coordination, and other supported living services;

892 and

893 (ix) other home and community based services unique to the individual with a

894 disability or the family of the individual with a disability that help prevent the individual with a

895 disability from being placed in a more restrictive setting.

896 (b) Notwithstanding Subsection (4) and subject to Subsection (9)(c), an individual with

897 a disability or designated representative of the individual with a disability is considered an

898 employer under this chapter and Chapter 3, Utah Occupational Disease Act, of an individual
899 who provides home and community based services if the individual with a disability or
900 designated representative of the individual with a disability:

901 (i) employs the individual to provide home and community based services for seven
902 hours per week or more; and

903 (ii) pays the individual providing the home and community based services from state or
904 federal money received by the individual with a disability or designated representative of the
905 individual with a disability to fund home and community based services, including through a
906 person designated by the Secretary of the Treasury in accordance with Section 3504, Internal
907 Revenue Code, as a fiduciary, agent, or other person who has the control, receipt, custody, or
908 disposal of, or pays the wages of, the individual providing the home and community based
909 services.

910 (c) The state and federal money received by an individual with a disability or
911 designated representative of an individual with a disability shall include the cost of the workers'
912 compensation coverage required by this Subsection (9) in addition to the money necessary to
913 fund the home and community based services that the individual with a disability or family of
914 the individual with a disability is eligible to receive so that the home and community based
915 services are not reduced in order to pay for the workers' compensation coverage required by
916 this Subsection (9).

917 (10) (a) For purposes of this Subsection (10), "federal executive agency" means an
918 executive agency, as defined in 5 U.S.C. Sec. 105, of the federal government.

919 (b) For purposes of determining whether two or more persons are considered joint
920 employers under this chapter or Chapter 3, Utah Occupational Disease Act, an administrative
921 ruling of a federal executive agency may not be considered a generally applicable law unless
922 that administrative ruling is determined to be generally applicable by a court of law, or adopted
923 by statute or rule.

924 (11) (a) As used in this Subsection (11):

925 (i) "Franchise" means the same as that term is defined in 16 C.F.R. Sec. 436.1.

- 926 (ii) "Franchisee" means the same as that term is defined in 16 C.F.R. Sec. 436.1.
- 927 (iii) "Franchisor" means the same as that term is defined in 16 C.F.R. Sec. 436.1.
- 928 (b) For purposes of this chapter, a franchisor is not considered to be an employer of:
- 929 (i) a franchisee; or
- 930 (ii) a franchisee's employee.
- 931 (c) With respect to a specific claim for relief under this chapter made by a franchisee or
- 932 a franchisee's employee, this Subsection (11) does not apply to a franchisor under a franchise
- 933 that exercises a type or degree of control over the franchisee or the franchisee's employee not
- 934 customarily exercised by a franchisor for the purpose of protecting the franchisor's trademarks
- 935 and brand.

936 Section 14. Section **34A-2-107** is amended to read:

937 **34A-2-107. Appointment of workers' compensation advisory council --**
938 **Composition -- Terms of members -- Duties -- Compensation.**

939 (1) The commissioner shall appoint a workers' compensation advisory council
940 composed of:

941 (a) the following voting members:

- 942 (i) five employer representatives; and
- 943 (ii) five employee representatives; and

944 (b) the following nonvoting members:

945 (i) a representative of the [~~Workers' Compensation Fund~~] workers' compensation
946 insurance carrier that provides workers' compensation insurance under Section [31A-22-1001](#);

947 (ii) a representative of a [~~private~~] workers' compensation insurance carrier different
948 from the workers' compensation insurance carrier listed in Subsection (1)(b)(i);

949 (iii) a representative of health care providers;

950 (iv) the Utah insurance commissioner or the insurance commissioner's designee; and

951 (v) the commissioner or the commissioner's designee.

952 (2) Employers and employees shall consider nominating members of groups who
953 historically may have been excluded from the council, such as women, minorities, and

954 individuals with disabilities.

955 (3) (a) Except as required by Subsection (3)(b), as terms of current council members
956 expire, the commissioner shall appoint each new member or reappointed member to a two-year
957 term beginning July 1 and ending June 30.

958 (b) Notwithstanding the requirements of Subsection (3)(a), the commissioner shall, at
959 the time of appointment or reappointment, adjust the length of terms to ensure that the terms of
960 council members are staggered so that approximately half of the council is appointed every two
961 years.

962 (4) (a) When a vacancy occurs in the membership for any reason, the replacement shall
963 be appointed for the unexpired term.

964 (b) The commissioner shall terminate the term of a council member who ceases to be
965 representative as designated by the member's original appointment.

966 (5) The council shall confer at least quarterly for the purpose of advising the
967 commission, the division, and the Legislature on:

968 (a) the Utah workers' compensation and occupational disease laws;

969 (b) the administration of the laws described in Subsection (5)(a); and

970 (c) rules related to the laws described in Subsection (5)(a).

971 (6) Regarding workers' compensation, rehabilitation, and reemployment of employees
972 who acquire a disability because of an industrial injury or occupational disease the council
973 shall:

974 (a) offer advice on issues requested by:

975 (i) the commission;

976 (ii) the division; and

977 (iii) the Legislature; and

978 (b) make recommendations to:

979 (i) the commission; and

980 (ii) the division.

981 (7) The council shall study how hospital costs may be reduced for purposes of medical

982 benefits for workers' compensation. The council shall report to the Business and Labor Interim
 983 Committee the council's recommendations by no later than November 30, 2017.

984 (8) The commissioner or the commissioner's designee shall serve as the chair of the
 985 council and call the necessary meetings.

986 (9) The commission shall provide staff support to the council.

987 (10) A member may not receive compensation or benefits for the member's service, but
 988 may receive per diem and travel expenses in accordance with:

989 (a) Section 63A-3-106;

990 (b) Section 63A-3-107; and

991 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
 992 63A-3-107.

993 Section 15. Section 34A-2-201 is amended to read:

994 **34A-2-201. Employers to secure workers' compensation benefits for employees --**

995 **Methods.**

996 An employer shall secure the payment of workers' compensation benefits for its
 997 employees by:

998 [~~(1) insuring, and keeping insured, the payment of this compensation with the Workers'~~
 999 ~~Compensation Fund;~~]

1000 [~~(2)~~] (1) insuring, and keeping insured, the payment of this compensation with [~~any~~
 1001 ~~stock corporation or mutual association]~~ an insurer authorized under Title 31A, Insurance
 1002 Code, to transact the business of workers' compensation insurance in this state; or

1003 [~~(3)~~] (2) obtaining approval from the division in accordance with Section 34A-2-201.5
 1004 to pay direct compensation as a self-insured employer in the amount, in the manner, and when
 1005 due as provided for in this chapter or Chapter 3, Utah Occupational Disease Act.

1006 Section 16. Section 34A-2-203 is amended to read:

1007 **34A-2-203. Payment of premiums for workers' compensation.**

1008 [~~(1) Until June 30, 2007, a department, commission, board, or other agency of the state~~
 1009 ~~shall pay the insurance premium on its employees direct to the Workers' Compensation Fund.]~~

1010 [~~(2)~~ Beginning July 1, 2007, the]

1011 (1) The state shall secure the payment of workers' compensation benefits for its
1012 employees:

1013 (a) by:

1014 [~~(i) insuring, and keeping insured, the payment of this compensation with the Workers'
1015 Compensation Fund;~~]

1016 [(ii)] (i) insuring, and keeping insured, the payment of this compensation with [~~any
1017 stock corporation or mutual association~~] an insurer authorized under Title 31A, Insurance
1018 Code, to transact the business of workers' compensation insurance in this state; or

1019 [(iii)] (ii) paying direct compensation as a self-insured employer in the amount, in the
1020 manner, and when due as provided for in this chapter or Chapter 3, Utah Occupational Disease
1021 Act;

1022 (b) in accordance with Title 63A, Chapter 4, Risk Management; and

1023 (c) subject to Subsection [~~(3)~~] (2).

1024 [~~(3)~~] (2) (a) If the state determines to secure the payment of workers' compensation
1025 benefits for its employees by paying direct compensation as a self-insured employer in the
1026 amount, in the manner, and due as provided for in this chapter or Chapter 3, Utah Occupational
1027 Disease Act, the state is:

1028 (i) exempt from Section 34A-2-202.5 and Subsection 34A-2-704(14); and

1029 (ii) required to pay a premium assessment as provided in Section 34A-2-202.

1030 (b) If the state chooses to pay workers' compensation benefits for its employees
1031 through insuring under Subsection [~~(2)~~] (1)(a)(i) [~~or (ii)~~], the state shall obtain that insurance in
1032 accordance with Title 63G, Chapter 6a, Utah Procurement Code.

1033 Section 17. Section 34A-2-210 is amended to read:

1034 **34A-2-210. Power to bring suit for noncompliance.**

1035 (1) (a) The commission or the division on behalf of the commission may maintain a
1036 suit in any court of the state to enjoin any employer, within this chapter or Chapter 3, Utah
1037 Occupational Disease Act, from further operation of the employer's business, when the

1038 employer fails to provide for the payment of benefits in one of the [~~three~~] ways provided in
1039 Section 34A-2-201.

1040 (b) Upon a showing of failure to provide for the payment of benefits, the court shall
1041 enjoin the further operation of the employer's business until the payment of these benefits has
1042 been secured by the employer as required by Section 34A-2-201. The court may enjoin the
1043 employer without requiring bond from the commission or division.

1044 (2) If the division has reason to believe that an employer is conducting a business
1045 without securing the payment of compensation in one of the [~~three~~] ways provided in Section
1046 34A-2-201, the division may give the employer five days written notice by registered mail of
1047 the noncompliance and if the employer within the five days written notice does not remedy the
1048 default:

1049 (a) the commission or the division on behalf of the commission may file suit under
1050 Subsection (1); and

1051 (b) the court may, ex parte, issue without bond a temporary injunction restraining the
1052 further operation of the employer's business.

1053 Section 18. Section 34A-2-211 is amended to read:

1054 **34A-2-211. Notice of noncompliance to employer -- Enforcement power of**
1055 **division -- Penalty.**

1056 (1) (a) In addition to the remedies specified in Section 34A-2-210, if the division has
1057 reason to believe that an employer is conducting business without securing the payment of
1058 benefits in a manner provided in Section 34A-2-201, the division may give that employer
1059 written notice of the noncompliance by certified mail to the last-known address of the
1060 employer.

1061 (b) If the employer does not remedy the default within 15 days after the day on which
1062 the notice is delivered, the division may issue an order requiring the employer to appear before
1063 the division and show cause why the employer should not be ordered to comply with Section
1064 34A-2-201.

1065 (c) If the division finds that an employer has failed to provide for the payment of

1066 benefits in a manner provided in Section 34A-2-201, the division may require the employer to
1067 comply with Section 34A-2-201.

1068 (2) (a) Notwithstanding Subsection (1), the division may impose a penalty against the
1069 employer under this Subsection (2):

1070 (i) subject to Title 63G, Chapter 4, Administrative Procedures Act; and

1071 (ii) if the division believes that an employer of one or more employees is conducting
1072 business without securing the payment of benefits in a manner provided in Section 34A-2-201.

1073 (b) The penalty imposed under Subsection (2)(a) shall be the greater of:

1074 (i) \$1,000; or

1075 (ii) three times the amount of the premium the employer would have paid for workers'
1076 compensation insurance based on the rate filing of the [~~Workers' Compensation Fund~~] workers'
1077 compensation insurance carrier that provides workers' compensation insurance under Section
1078 31A-22-1001, during the period of noncompliance.

1079 (c) For purposes of Subsection (2)(b)(ii):

1080 (i) the premium is calculated by applying rates and rate multipliers to the payroll basis
1081 under Subsection (2)(c)(ii), using the highest rated employee class code applicable to the
1082 employer's operations; and

1083 (ii) the payroll basis is 150% of the state's average weekly wage multiplied by the
1084 highest number of workers employed by the employer during the period of the employer's
1085 noncompliance multiplied by the number of weeks of the employer's noncompliance up to a
1086 maximum of 156 weeks.

1087 (3) A penalty imposed under Subsection (2) shall be:

1088 (a) deposited in the Uninsured Employers' Fund created by Section 34A-2-704;

1089 (b) used for the purposes of the Uninsured Employers' Fund specified in Section
1090 34A-2-704; and

1091 (c) collected by the Uninsured Employers' Fund administrator in accordance with
1092 Section 34A-2-704.

1093 (4) (a) An employer who disputes a determination, imposition, or amount of a penalty

1094 imposed under Subsection (2) shall request a hearing before an administrative law judge within
1095 30 days of the date of issuance of the administrative action imposing the penalty or the
1096 administrative action becomes a final order of the commission.

1097 (b) An employer's request for a hearing under Subsection (4)(a) shall specify the facts
1098 and grounds that are the basis of the employer's objection to the determination, imposition, or
1099 amount of the penalty.

1100 (c) An administrative law judge's decision under this Subsection (4) may be reviewed
1101 pursuant to Part 8, Adjudication.

1102 (5) An administrative action issued by the division under this section shall:

1103 (a) be in writing;

1104 (b) be sent by certified mail to the last-known address of the employer;

1105 (c) state the findings and administrative action of the division; and

1106 (d) specify its effective date, which may be:

1107 (i) immediate; or

1108 (ii) at a later date.

1109 (6) A final order of the commission under this section, upon application by the
1110 commission made on or after the effective date of the order to a court of general jurisdiction in
1111 any county in this state, may be enforced by an order to comply:

1112 (a) entered ex parte; and

1113 (b) without notice by the court.

1114 Section 19. Section **34A-2-406** is amended to read:

1115 **34A-2-406. Exemptions from chapter for employees temporarily in state --**

1116 **Conditions -- Evidence of insurance.**

1117 (1) Any employee who has been hired in another state and the employee's employer are
1118 exempt from this chapter and Chapter 3, Utah Occupational Disease Act, while the employee is
1119 temporarily within this state doing work for the employee's employer if:

1120 (a) the employer has furnished workers' compensation insurance coverage under the
1121 workers' compensation or similar laws of the other state;

1122 (b) the coverage covers the employee's employment while in this state; and
1123 (c) (i) the extraterritorial provisions of this chapter and Chapter 3, Utah Occupational
1124 Disease Act, are recognized in the other state and employers and employees who are covered in
1125 this state are likewise exempted from the application of the workers' compensation or similar
1126 laws of the other state; or

1127 (ii) the ~~[Workers' Compensation Fund]~~ workers' compensation insurance carrier that
1128 provides workers' compensation insurance under Section 31A-22-1001:

1129 (A) is an admitted insurance carrier in the other state; or

1130 (B) has agreements with [a] an insurance carrier and is able to furnish workers'
1131 compensation insurance or similar coverage to Utah employers and their subsidiaries or
1132 affiliates doing business in the other state.

1133 (2) The benefits under the workers' compensation or similar laws of the other state are
1134 the exclusive remedy against an employer for any injury, whether resulting in death or not,
1135 received by an employee while working for the employer in this state.

1136 (3) A certificate from an authorized officer of the industrial commission or similar
1137 department of the other state certifying that the employer is insured in the other state and has
1138 provided extraterritorial coverage insuring the employer's employees while working in this
1139 state is prima facie evidence that the employer carries compensation insurance.

1140 Section 20. Section **49-11-624** is enacted to read:

1141 **49-11-624. Withdrawing entity -- Participation election date -- Withdrawal costs**
1142 **-- Rulemaking.**

1143 (1) As used in this section, "withdrawing entity" means the mutual corporation that is
1144 the successor to the quasi-public corporation created under Chapter 33, Workers'
1145 Compensation Fund, which is the chapter repealed by this bill.

1146 (2) Notwithstanding any other provision of this title, a withdrawing entity may provide
1147 for the participation of its employees with that system or plan as follows:

1148 (a) the withdrawing entity shall determine a date that is no later than January 1, 2018,
1149 on which the withdrawing entity shall make an election under Subsection (3); and

1150 (b) subject to Subsection (6), the withdrawing entity shall pay to the office any
1151 reasonable actuarial and administrative costs determined by the office to have arisen out of an
1152 election made under this section.

1153 (3) The withdrawing entity described under Subsection (2) may elect to:

1154 (a) (i) continue its participation for all current employees of the withdrawing entity,
1155 who are covered by a system or plan as of the date set under Subsection (2)(a); and

1156 (ii) withdraw from participation in all systems or plans for all persons initially entering
1157 employment with the withdrawing entity, beginning on the date set under Subsection (2)(a); or

1158 (b) withdraw from participation in all systems or plans for all current and future
1159 employees of the withdrawing entity, beginning on the date set under Subsection (2)(a).

1160 (4) (a) An election provided under Subsection (3):

1161 (i) is a one-time election made no later than the date specified under Subsection (2)(a);

1162 (ii) shall be documented by a resolution adopted by the governing body of the
1163 withdrawing entity;

1164 (iii) is irrevocable; and

1165 (iv) applies to the withdrawing entity as the employer and to all employees of the
1166 withdrawing entity.

1167 (b) Notwithstanding an election made under Subsection (3), any eligibility for service
1168 credit earned by an employee under this title before the date specified under Subsection (2)(a)
1169 is not affected by this section.

1170 (5) If a withdrawing entity elects to continue participation under Subsection (3), the
1171 withdrawing entity shall continue to be subject to the laws and the rules governing the system
1172 or plan in which an employee participates, including the accrual of service credit and payment
1173 of contributions.

1174 (6) Before a withdrawing entity may withdraw under this section, the withdrawing
1175 entity and the office shall enter into an agreement on:

1176 (a) the costs described under Subsection (2)(b); and

1177 (b) arrangements for the payment of the costs described under Subsection (2)(b).

1178 (7) The board shall make rules to implement this section.

1179 Section 21. Section **49-12-203** is amended to read:

1180 **49-12-203. Exclusions from membership in system.**

1181 (1) The following employees are not eligible for service credit in this system:

1182 (a) subject to the requirements of Subsection (2), an employee whose employment
1183 status is temporary in nature due to the nature or the type of work to be performed;

1184 (b) except as provided under Subsection (3)(a), an employee of an institution of higher
1185 education who participates in a retirement system with a public or private retirement system,
1186 organization, or company designated by the State Board of Regents during any period in which
1187 required contributions based on compensation have been paid on behalf of the employee by the
1188 employer;

1189 (c) an employee serving as an exchange employee from outside the state;

1190 (d) an executive department head of the state, a member of the State Tax Commission,
1191 the Public Service Commission, and a member of a full-time or part-time board or commission
1192 who files a formal request for exemption;

1193 (e) an employee of the Department of Workforce Services who is covered under
1194 another retirement system allowed under Title 35A, Chapter 4, Employment Security Act;

1195 (f) an employee who is employed on or after July 1, 2009, with an employer that has
1196 elected, prior to July 1, 2009, to be excluded from participation in this system under Subsection
1197 [49-12-202\(2\)\(c\)](#);

1198 (g) an employee who is employed on or after July 1, 2014, with an employer that has
1199 elected, prior to July 1, 2014, to be excluded from participation in this system under Subsection
1200 [49-12-202\(2\)\(d\)](#); [~~or~~]

1201 (h) an employee who is employed with a withdrawing entity that has elected under
1202 Section [49-11-623](#), prior to January 1, 2017, to exclude:

1203 (i) new employees from participation in this system under Subsection [49-11-623\(3\)\(a\)](#);

1204 or

1205 (ii) all employees from participation in this system under Subsection

1206 49-11-623(3)(b)[-]; or

1207 (i) an employee described in Subsection (1)(i)(i) or (ii) who is employed with a
1208 withdrawing entity that has elected under Section 49-11-624, before January 1, 2018, to
1209 exclude:

1210 (i) new employees from participation in this system under Subsection 49-11-624(3)(a);

1211 or

1212 (ii) all employees from participation in this system under Subsection 49-11-624(3)(b).

1213 (2) If an employee whose status is temporary in nature due to the nature of type of
1214 work to be performed:

1215 (a) is employed for a term that exceeds six months and the employee otherwise
1216 qualifies for service credit in this system, the participating employer shall report and certify to
1217 the office that the employee is a regular full-time employee effective the beginning of the
1218 seventh month of employment; or

1219 (b) was previously terminated prior to being eligible for service credit in this system
1220 and is reemployed within three months of termination by the same participating employer, the
1221 participating employer shall report and certify that the member is a regular full-time employee
1222 when the total of the periods of employment equals six months and the employee otherwise
1223 qualifies for service credits in this system.

1224 (3) (a) Upon cessation of the participating employer contributions, an employee under
1225 Subsection (1)(b) is eligible for service credit in this system.

1226 (b) Notwithstanding the provisions of Subsection (1)(f), any eligibility for service
1227 credit earned by an employee under this chapter before July 1, 2009 is not affected under
1228 Subsection (1)(f).

1229 (c) Notwithstanding the provisions of Subsection (1)(g), any eligibility for service
1230 credit earned by an employee under this chapter before July 1, 2014, is not affected under
1231 Subsection (1)(g).

1232 (4) Upon filing a written request for exemption with the office, the following
1233 employees shall be exempt from coverage under this system:

- 1234 (a) a full-time student or the spouse of a full-time student and individuals employed in
1235 a trainee relationship;
- 1236 (b) an elected official;
- 1237 (c) an executive department head of the state, a member of the State Tax Commission,
1238 a member of the Public Service Commission, and a member of a full-time or part-time board or
1239 commission;
- 1240 (d) an employee of the Governor's Office of Management and Budget;
- 1241 (e) an employee of the Governor's Office of Economic Development;
- 1242 (f) an employee of the Commission on Criminal and Juvenile Justice;
- 1243 (g) an employee of the Governor's Office;
- 1244 (h) an employee of the State Auditor's Office;
- 1245 (i) an employee of the State Treasurer's Office;
- 1246 (j) any other member who is permitted to make an election under Section [49-11-406](#);
- 1247 (k) a person appointed as a city manager or chief city administrator or another person
1248 employed by a municipality, county, or other political subdivision, who is an at-will employee;
1249 and
- 1250 (l) an employee of an interlocal cooperative agency created under Title 11, Chapter 13,
1251 Interlocal Cooperation Act, who is engaged in a specialized trade customarily provided through
1252 membership in a labor organization that provides retirement benefits to its members.
- 1253 (5) (a) Each participating employer shall prepare a list designating those positions
1254 eligible for exemption under Subsection (4).
- 1255 (b) An employee may not be exempted unless the employee is employed in an
1256 exempted position designated by the participating employer.
- 1257 (6) (a) In accordance with this section, Section [49-13-203](#), and Section [49-22-205](#), a
1258 municipality, county, or political subdivision may not exempt a total of more than 50 positions
1259 or a number equal to 10% of the employees of the municipality, county, or political
1260 subdivision, whichever is less.
- 1261 (b) A municipality, county, or political subdivision may exempt at least one regular

1262 full-time employee.

1263 (7) Each participating employer shall:

1264 (a) file employee exemptions annually with the office; and

1265 (b) update the employee exemptions in the event of any change.

1266 (8) The office may make rules to implement this section.

1267 Section 22. Section **49-13-203** is amended to read:

1268 **49-13-203. Exclusions from membership in system.**

1269 (1) The following employees are not eligible for service credit in this system:

1270 (a) subject to the requirements of Subsection (2), an employee whose employment
1271 status is temporary in nature due to the nature or the type of work to be performed;

1272 (b) except as provided under Subsection (3)(a), an employee of an institution of higher
1273 education who participates in a retirement system with a public or private retirement system,
1274 organization, or company designated by the State Board of Regents during any period in which
1275 required contributions based on compensation have been paid on behalf of the employee by the
1276 employer;

1277 (c) an employee serving as an exchange employee from outside the state;

1278 (d) an executive department head of the state or a legislative director, senior executive
1279 employed by the governor's office, a member of the State Tax Commission, a member of the
1280 Public Service Commission, and a member of a full-time or part-time board or commission
1281 who files a formal request for exemption;

1282 (e) an employee of the Department of Workforce Services who is covered under
1283 another retirement system allowed under Title 35A, Chapter 4, Employment Security Act;

1284 (f) an employee who is employed with an employer that has elected to be excluded
1285 from participation in this system under Subsection 49-13-202(5), effective on or after the date
1286 of the employer's election under Subsection 49-13-202(5); [or]

1287 (g) an employee who is employed with a withdrawing entity that has elected under
1288 Section 49-11-623, prior to January 1, 2017, to exclude:

1289 (i) new employees from participation in this system under Subsection 49-11-623(3)(a);

1290 or

1291 (ii) all employees from participation in this system under Subsection

1292 [49-11-623\(3\)\(b\)](#)[-]; or

1293 (h) an employee described in Subsection (1)(h)(i) or (ii) who is employed with a

1294 withdrawing entity that has elected under Section [49-11-624](#), before January 1, 2018, to

1295 exclude:

1296 (i) new employees from participation in this system under Subsection [49-11-624\(3\)\(a\)](#);

1297 or

1298 (ii) all employees from participation in this system under Subsection [49-11-624\(3\)\(b\)](#).

1299 (2) If an employee whose status is temporary in nature due to the nature of type of

1300 work to be performed:

1301 (a) is employed for a term that exceeds six months and the employee otherwise
1302 qualifies for service credit in this system, the participating employer shall report and certify to
1303 the office that the employee is a regular full-time employee effective the beginning of the
1304 seventh month of employment; or

1305 (b) was previously terminated prior to being eligible for service credit in this system
1306 and is reemployed within three months of termination by the same participating employer, the
1307 participating employer shall report and certify that the member is a regular full-time employee
1308 when the total of the periods of employment equals six months and the employee otherwise
1309 qualifies for service credits in this system.

1310 (3) (a) Upon cessation of the participating employer contributions, an employee under
1311 Subsection (1)(b) is eligible for service credit in this system.

1312 (b) Notwithstanding the provisions of Subsection (1)(f), any eligibility for service
1313 credit earned by an employee under this chapter before the date of the election under
1314 Subsection [49-13-202\(5\)](#) is not affected under Subsection (1)(f).

1315 (4) Upon filing a written request for exemption with the office, the following
1316 employees shall be exempt from coverage under this system:

1317 (a) a full-time student or the spouse of a full-time student and individuals employed in

- 1318 a trainee relationship;
- 1319 (b) an elected official;
- 1320 (c) an executive department head of the state, a member of the State Tax Commission,
- 1321 a member of the Public Service Commission, and a member of a full-time or part-time board or
- 1322 commission;
- 1323 (d) an employee of the Governor's Office of Management and Budget;
- 1324 (e) an employee of the Governor's Office of Economic Development;
- 1325 (f) an employee of the Commission on Criminal and Juvenile Justice;
- 1326 (g) an employee of the Governor's Office;
- 1327 (h) an employee of the State Auditor's Office;
- 1328 (i) an employee of the State Treasurer's Office;
- 1329 (j) any other member who is permitted to make an election under Section [49-11-406](#);
- 1330 (k) a person appointed as a city manager or chief city administrator or another person
- 1331 employed by a municipality, county, or other political subdivision, who is an at-will employee;
- 1332 (l) an employee of an interlocal cooperative agency created under Title 11, Chapter 13,
- 1333 Interlocal Cooperation Act, who is engaged in a specialized trade customarily provided through
- 1334 membership in a labor organization that provides retirement benefits to its members; and
- 1335 (m) an employee of the Utah Science Technology and Research Initiative created under
- 1336 Title 63M, Chapter 2, Utah Science Technology and Research Governing Authority Act.
- 1337 (5) (a) Each participating employer shall prepare a list designating those positions
- 1338 eligible for exemption under Subsection (4).
- 1339 (b) An employee may not be exempted unless the employee is employed in a position
- 1340 designated by the participating employer.
- 1341 (6) (a) In accordance with this section, Section [49-12-203](#), and Section [49-22-205](#), a
- 1342 municipality, county, or political subdivision may not exempt a total of more than 50 positions
- 1343 or a number equal to 10% of the employees of the municipality, county, or political
- 1344 subdivision, whichever is less.
- 1345 (b) A municipality, county, or political subdivision may exempt at least one regular

1346 full-time employee.

1347 (7) Each participating employer shall:

1348 (a) file employee exemptions annually with the office; and

1349 (b) update the employee exemptions in the event of any change.

1350 (8) The office may make rules to implement this section.

1351 Section 23. Section **49-22-203** is amended to read:

1352 **49-22-203. Exclusions from membership in system.**

1353 (1) The following employees are not eligible for service credit in this system:

1354 (a) subject to the requirements of Subsection (2), an employee whose employment
1355 status is temporary in nature due to the nature or the type of work to be performed;

1356 (b) except as provided under Subsection (3), an employee of an institution of higher
1357 education who participates in a retirement system with a public or private retirement system,
1358 organization, or company designated by the State Board of Regents during any period in which
1359 required contributions based on compensation have been paid on behalf of the employee by the
1360 employer;

1361 (c) an employee serving as an exchange employee from outside the state;

1362 (d) an employee of the Department of Workforce Services who is covered under
1363 another retirement system allowed under Title 35A, Chapter 4, Employment Security Act;

1364 (e) an employee who is employed with a withdrawing entity that has elected under
1365 Section 49-11-623, prior to January 1, 2017, to exclude:

1366 (i) new employees from participation in this system under Subsection 49-11-623(3)(a);

1367 or

1368 (ii) all employees from participation in this system under Subsection 49-11-623(3)(b);

1369 [or]

1370 (f) a person who files a written request for exemption with the office under Section

1371 49-22-205[:]; or

1372 (g) an employee described in Subsection (1)(g)(i) or (ii) who is employed with a
1373 withdrawing entity that has elected under Section 49-11-624, before January 1, 2018, to

1374 exclude:

1375 (i) new employees from participation in this system under Subsection 49-11-624(3)(a);

1376 or

1377 (ii) all employees from participation in this system under Subsection 49-11-624(3)(b).

1378 (2) If an employee whose status is temporary in nature due to the nature of type of
1379 work to be performed:

1380 (a) is employed for a term that exceeds six months and the employee otherwise
1381 qualifies for service credit in this system, the participating employer shall report and certify to
1382 the office that the employee is a regular full-time employee effective the beginning of the
1383 seventh month of employment; or

1384 (b) was previously terminated prior to being eligible for service credit in this system
1385 and is reemployed within three months of termination by the same participating employer, the
1386 participating employer shall report and certify that the member is a regular full-time employee
1387 when the total of the periods of employment equals six months and the employee otherwise
1388 qualifies for service credits in this system.

1389 (3) Upon cessation of the participating employer contributions, an employee under
1390 Subsection (1)(b) is eligible for service credit in this system.

1391 Section 24. Section 51-7-2 is amended to read:

1392 **51-7-2. Exemptions from chapter.**

1393 The following funds are exempt from this chapter:

1394 (1) funds invested in accordance with the participating employees' designation or
1395 direction pursuant to a public employees' deferred compensation plan established and operated
1396 in compliance with Section 457 of the Internal Revenue Code of 1986, as amended;

1397 [~~(2) funds of the Workers' Compensation Fund;~~]

1398 [~~(3)~~] (2) funds of the Utah State Retirement Board;

1399 [~~(4)~~] (3) funds of the Utah Housing Corporation;

1400 [~~(5)~~] (4) endowment funds of higher education institutions;

1401 [~~(6)~~] (5) permanent and other land grant trust funds established pursuant to the Utah

1402 Enabling Act and the Utah Constitution;

1403 ~~[(7)]~~ (6) the State Post-Retirement Benefits Trust Fund;

1404 ~~[(8)]~~ (7) the funds of the Utah Educational Savings Plan;

1405 ~~[(9)]~~ (8) funds of the permanent state trust fund created by and operated under Utah

1406 Constitution, Article XXII, Section 4; and

1407 ~~[(10)]~~ (9) the funds in the Navajo Trust Fund.

1408 Section 25. Section **51-7-4** is amended to read:

1409 **51-7-4. Transfer of functions, powers, and duties relating to public funds to state**

1410 **treasurer -- Exceptions -- Deposit of income from investment of state money.**

1411 (1) Unless otherwise required by the Utah Constitution or applicable federal law, the

1412 functions, powers, and duties vested by law in each state officer, board, commission,

1413 institution, department, division, agency, or other similar instrumentality relating to the deposit,

1414 investment, or reinvestment of public funds, and the purchase, sale, or exchange of investments

1415 or securities of, or for, funds or accounts under the control and management of each of these

1416 instrumentalities, are transferred to and shall be exercised by the state treasurer, except:

1417 (a) funds assigned to the Utah State Retirement Board for investment under Section

1418 [49-11-302](#);

1419 (b) funds of member institutions of the state system of higher education:

1420 (i) acquired by gift, devise, or bequest, or by federal or private contract or grant;

1421 (ii) derived from student fees or from income from operations of auxiliary enterprises,

1422 which fees and income are pledged or otherwise dedicated to the payment of interest and

1423 principal of bonds issued by an institution of higher education;

1424 (iii) subject to rules made by the council, under Section [51-7-18](#), deposited in a foreign

1425 depository institution as defined in Section [7-1-103](#); and

1426 (iv) other funds that are not included in the institution's work program as approved by

1427 the State Board of Regents;

1428 (c) inmate funds as provided in Section [64-13-23](#) or in Title 64, Chapter 9b, Work

1429 Programs for Prisoners;

- 1430 (d) trust funds established by judicial order;
- 1431 [~~(e) funds of the Workers' Compensation Fund;~~]
- 1432 [~~(f)~~] (e) funds of the Utah Housing Corporation;
- 1433 [~~(g)~~] (f) endowment funds of higher education institutions; and
- 1434 [~~(h)~~] (g) the funds of the Utah Educational Savings Plan.

1435 (2) All public funds held or administered by the state or its boards, commissions,
 1436 institutions, departments, divisions, agencies, or similar instrumentalities and not transferred to
 1437 the state treasurer as provided by this section shall be:

- 1438 (a) deposited and invested by the custodian in accordance with this chapter, unless
- 1439 otherwise required by statute or by applicable federal law; and
- 1440 (b) reported to the state treasurer in a form prescribed by the state treasurer.
- 1441 (3) Unless otherwise provided by the constitution or laws of this state or by contractual
- 1442 obligation, the income derived from the investment of state money by the state treasurer shall
- 1443 be deposited in and become part of the General Fund.

1444 Section 26. Section **53-2a-802** is amended to read:

1445 **53-2a-802. Definitions.**

- 1446 (1) (a) "Absent" means:
- 1447 (i) not physically present or not able to be communicated with for 48 hours; or
- 1448 (ii) for local government officers, as defined by local ordinances.
- 1449 (b) "Absent" does not include a person who can be communicated with via telephone,
- 1450 radio, or telecommunications.
- 1451 (2) "Department" means the Department of Administrative Services, the Department of
- 1452 Agriculture and Food, the Alcoholic Beverage Control Commission, the Department of
- 1453 Commerce, the Department of Heritage and Arts, the Department of Corrections, the
- 1454 Department of Environmental Quality, the Department of Financial Institutions, the
- 1455 Department of Health, the Department of Human Resource Management, the Department of
- 1456 Workforce Services, the Labor Commission, the National Guard, the Department of Insurance,
- 1457 the Department of Natural Resources, the Department of Public Safety, the Public Service

1458 Commission, the Department of Human Services, the State Tax Commission, the Department
1459 of Technology Services, the Department of Transportation, any other major administrative
1460 subdivisions of state government, the State Board of Education, the State Board of Regents, the
1461 Utah Housing Corporation, [~~the Workers' Compensation Fund,~~] the State Retirement Board,
1462 and each institution of higher education within the system of higher education.

1463 (3) "Division" means the Division of Emergency Management established in Title 53,
1464 Chapter 2a, Part 1, Emergency Management Act.

1465 (4) "Emergency interim successor" means a person designated by this part to exercise
1466 the powers and discharge the duties of an office when the person legally exercising the powers
1467 and duties of the office is unavailable.

1468 (5) "Executive director" means the person with ultimate responsibility for managing
1469 and overseeing the operations of each department, however denominated.

1470 (6) (a) "Office" includes all state and local offices, the powers and duties of which are
1471 defined by constitution, statutes, charters, optional plans, ordinances, articles, or by-laws.

1472 (b) "Office" does not include the office of governor or the legislative or judicial offices.

1473 (7) "Place of governance" means the physical location where the powers of an office
1474 are being exercised.

1475 (8) "Political subdivision" includes counties, cities, towns, metro townships, districts,
1476 authorities, and other public corporations and entities whether organized and existing under
1477 charter or general law.

1478 (9) "Political subdivision officer" means a person holding an office in a political
1479 subdivision.

1480 (10) "State officer" means the attorney general, the state treasurer, the state auditor, and
1481 the executive director of each department.

1482 (11) "Unavailable" means:

1483 (a) absent from the place of governance during a disaster that seriously disrupts normal
1484 governmental operations, whether or not that absence or inability would give rise to a vacancy
1485 under existing constitutional or statutory provisions; or

1486 (b) as otherwise defined by local ordinance.

1487 Section 27. Section **58-55-302.5** is amended to read:

1488 **58-55-302.5. Continuing education requirements for contractor licensees --**

1489 **Continuing education courses.**

1490 (1) Each contractor licensee under a license issued under this chapter shall complete
1491 six hours of approved continuing education during each two-year renewal cycle established by
1492 rule under Subsection **58-55-303(1)**.

1493 (2) (a) The commission shall, with the concurrence of the division, establish by rule a
1494 program of approved continuing education for contractor licensees.

1495 (b) Except as provided in Subsection (2)(e), beginning on or after June 1, 2015, only
1496 courses offered by any of the following may be included in the program of approved continuing
1497 education for contractor licensees:

1498 (i) the Associated General Contractors of Utah;

1499 (ii) Associated Builders and Contractors, Utah Chapter;

1500 (iii) the Home Builders Association of Utah;

1501 (iv) the National Electrical Contractors Association Intermountain Chapter;

1502 (v) the Utah Plumbing & Heating Contractors Association;

1503 (vi) the Independent Electrical Contractors of Utah;

1504 (vii) the Rocky Mountain Gas Association;

1505 (viii) the Utah Mechanical Contractors Association;

1506 (ix) the Sheet Metal Contractors Association;

1507 (x) the Intermountain Electrical Association;

1508 (xi) the Builders Bid Service of Utah; or

1509 (xii) Utah Roofing Contractors Association.

1510 (c) An approved continuing education program for a contractor licensee may include a
1511 course approved by an entity described in Subsections (2)(b)(i) through (2)(b)(iii).

1512 (d) (i) Except as provided in Subsections (2)(d)(ii) and (iii), an entity listed in
1513 Subsections (2)(b)(iv) through (2)(b)(xii) may only offer and market continuing education

1514 courses to a licensee who is a member of the entity.

1515 (ii) An entity described in Subsection (2)(b)(iv), (vi), or (x) may offer and market a
1516 continuing education course that the entity offers to satisfy the continuing education
1517 requirement described in Subsection 58-55-302.7(2)(a) to a contractor in the electrical trade.

1518 (iii) An entity described in Subsection (2)(b)(v) or (viii) may offer and market a
1519 continuing education course that the entity offers to satisfy the continuing education
1520 requirement described in Subsection 58-55-302.7(2)(b) to a contractor in the plumbing trade.

1521 (e) On or after June 1, 2015, an approved continuing education program for a
1522 contractor licensee may include a course offered and taught by:

1523 (i) a state executive branch agency;

1524 (ii) the [~~Workers' Compensation Fund created in Section 31A-33-102~~] workers'
1525 compensation insurance carrier that provides workers' compensation insurance under Section
1526 31A-22-1001; or

1527 (iii) a nationally or regionally accredited college or university that has a physical
1528 campus in the state.

1529 (3) The division may contract with a person to establish and maintain a continuing
1530 education registry to include:

1531 (a) a list of courses that the division has approved for inclusion in the program of
1532 approved continuing education; and

1533 (b) a list of courses that:

1534 (i) a contractor licensee has completed under the program of approved continuing
1535 education; and

1536 (ii) the licensee may access to monitor the licensee's compliance with the continuing
1537 education requirement established under Subsection (1).

1538 (4) The division may charge a fee, as established by the division under Section
1539 63J-1-504, to administer the requirements of this section.

1540 Section 28. Section 59-9-101 is amended to read:

1541 **59-9-101. Tax basis -- Rates -- Exemptions -- Rate reductions.**

1542 (1) (a) Except as provided in Subsection (1)(b), (1)(d), or (5), an admitted insurer shall
1543 pay to the commission on or before March 31 in each year, a tax of 2-1/4% of the total
1544 premiums received by it during the preceding calendar year from insurance covering property
1545 or risks located in this state.

1546 (b) This Subsection (1) does not apply to:

1547 (i) workers' compensation insurance, assessed under Subsection (2);

1548 (ii) title insurance premiums taxed under Subsection (3);

1549 (iii) annuity considerations;

1550 (iv) insurance premiums paid by an institution within the state system of higher
1551 education as specified in Section 53B-1-102; and

1552 (v) ocean marine insurance.

1553 (c) The taxable premium under this Subsection (1) shall be reduced by:

1554 (i) the premiums returned or credited to policyholders on direct business subject to tax
1555 in this state;

1556 (ii) the premiums received for reinsurance of property or risks located in this state; and

1557 (iii) the dividends, including premium reduction benefits maturing within the year:

1558 (A) paid or credited to policyholders in this state; or

1559 (B) applied in abatement or reduction of premiums due during the preceding calendar
1560 year.

1561 (d) (i) For purposes of this Subsection (1)(d):

1562 (A) "Utah variable life insurance premium" means an insurance premium paid:

1563 (I) by:

1564 (Aa) a corporation; or

1565 (Bb) a trust established or funded by a corporation; and

1566 (II) for variable life insurance covering risks located within the state.

1567 (B) "Variable life insurance" means an insurance policy that provides for life

1568 insurance, the amount or duration of which varies according to the investment experience of
1569 one or more separate accounts that are established and maintained by the insurer pursuant to

1570 Title 31A, Insurance Code.

1571 (ii) Notwithstanding Subsection (1)(a), beginning on January 1, 2006, the tax on that
1572 portion of the total premiums subject to a tax under Subsection (1)(a) that is a Utah variable
1573 life insurance premium shall be calculated as follows:

1574 (A) 2-1/4% of the first \$100,000 of Utah variable life insurance premiums:

1575 (I) paid for each variable life insurance policy; and

1576 (II) received by the admitted insurer in the preceding calendar year; and

1577 (B) 0.08% of the Utah variable life insurance premiums that exceed \$100,000:

1578 (I) paid for the policy described in Subsection (1)(d)(ii)(A); and

1579 (II) received by the admitted insurer in the preceding calendar year.

1580 (2) (a) An admitted insurer writing workers' compensation insurance in this state[;

1581 ~~including the Workers' Compensation Fund created under Title 31A, Chapter 33, Workers'~~

1582 ~~Compensation Fund;~~] shall pay to the tax commission, on or before March 31 in each year, a

1583 premium assessment on the basis of the total workers' compensation premium income received

1584 by the insurer from workers' compensation insurance in this state during the preceding calendar

1585 year as follows:

1586 (i) on or before December 31, 2010, an amount of equal to or greater than 1%, but
1587 equal to or less than 5.75% of the total workers' compensation premium income described in
1588 this Subsection (2);

1589 (ii) on and after January 1, 2011, but on or before December 31, 2017, an amount of
1590 equal to or greater than 1%, but equal to or less than 4.25% of the total workers' compensation
1591 premium income described in this Subsection (2); and

1592 (iii) on and after January 1, 2018, an amount equal to 1.25% of the total workers'
1593 compensation premium income described in this Subsection (2).

1594 (b) Total workers' compensation premium income means the net written premium as
1595 calculated before any premium reduction for any insured employer's deductible, retention, or
1596 reimbursement amounts and also those amounts equivalent to premiums as provided in Section
1597 [34A-2-202](#).

1598 (c) The percentage of premium assessment applicable for a calendar year shall be
1599 determined by the Labor Commission under Subsection (2)(d). The total premium income
1600 shall be reduced in the same manner as provided in Subsections (1)(c)(i) and (1)(c)(ii), but not
1601 as provided in Subsection (1)(c)(iii). The commission shall promptly remit from the premium
1602 assessment collected under this Subsection (2):

1603 (i) income to the state treasurer for credit to the Employers' Reinsurance Fund created
1604 under Subsection 34A-2-702(1) as follows:

1605 (A) on or before December 31, 2009, an amount of up to 5% of the total workers'
1606 compensation premium income;

1607 (B) on and after January 1, 2010, but on or before December 31, 2010, an amount of up
1608 to 4.5% of the total workers' compensation premium income;

1609 (C) on and after January 1, 2011, but on or before December 31, 2017, an amount of up
1610 to 3% of the total workers' compensation premium income; and

1611 (D) on and after January 1, 2018, 0% of the total workers' compensation premium
1612 income;

1613 (ii) an amount equal to 0.25% of the total workers' compensation premium income to
1614 the state treasurer for credit to the Workplace Safety Account created by Section 34A-2-701;

1615 (iii) an amount of up to 0.5% and any remaining assessed percentage of the total
1616 workers' compensation premium income to the state treasurer for credit to the Uninsured
1617 Employers' Fund created under Section 34A-2-704; and

1618 (iv) beginning on January 1, 2010, 0.5% of the total workers' compensation premium
1619 income to the state treasurer for credit to the Industrial Accident Restricted Account created in
1620 Section 34A-2-705.

1621 (d) (i) The Labor Commission shall determine the amount of the premium assessment
1622 for each year on or before each October 15 of the preceding year. The Labor Commission shall
1623 make this determination following a public hearing. The determination shall be based upon the
1624 recommendations of a qualified actuary.

1625 (ii) The actuary shall recommend a premium assessment rate sufficient to provide

1626 payments of benefits and expenses from the Employers' Reinsurance Fund and to project a
1627 funded condition with assets greater than liabilities by no later than June 30, 2025.

1628 (iii) The actuary shall recommend a premium assessment rate sufficient to provide
1629 payments of benefits and expenses from the Uninsured Employers' Fund and to maintain it at a
1630 funded condition with assets equal to or greater than liabilities.

1631 (iv) At the end of each fiscal year the minimum approximate assets in the Employers'
1632 Reinsurance Fund shall be \$5,000,000 which amount shall be adjusted each year beginning in
1633 1990 by multiplying by the ratio that the total workers' compensation premium income for the
1634 preceding calendar year bears to the total workers' compensation premium income for the
1635 calendar year 1988.

1636 (v) The requirements of Subsection (2)(d)(iv) cease when the future annual
1637 disbursements from the Employers' Reinsurance Fund are projected to be less than the
1638 calculations of the corresponding future minimum required assets. The Labor Commission
1639 shall, after a public hearing, determine if the future annual disbursements are less than the
1640 corresponding future minimum required assets from projections provided by the actuary.

1641 (vi) At the end of each fiscal year the minimum approximate assets in the Uninsured
1642 Employers' Fund shall be \$2,000,000, which amount shall be adjusted each year beginning in
1643 1990 by multiplying by the ratio that the total workers' compensation premium income for the
1644 preceding calendar year bears to the total workers' compensation premium income for the
1645 calendar year 1988.

1646 (e) A premium assessment that is to be transferred into the General Fund may be
1647 collected on premiums received from Utah public agencies.

1648 (3) An admitted insurer writing title insurance in this state shall pay to the commission,
1649 on or before March 31 in each year, a tax of .45% of the total premium received by either the
1650 insurer or by its agents during the preceding calendar year from title insurance concerning
1651 property located in this state. In calculating this tax, "premium" includes the charges made to
1652 an insured under or to an applicant for a policy or contract of title insurance for:

1653 (a) the assumption by the title insurer of the risks assumed by the issuance of the policy

1654 or contract of title insurance; and

1655 (b) abstracting title, title searching, examining title, or determining the insurability of
1656 title, and every other activity, exclusive of escrow, settlement, or closing charges, whether
1657 denominated premium or otherwise, made by a title insurer, an agent of a title insurer, a title
1658 insurance producer, or any of them.

1659 (4) Beginning July 1, 1986, a former county mutual and a former mutual benefit
1660 association shall pay the premium tax or assessment due under this chapter. Premiums
1661 received after July 1, 1986, shall be considered in determining the tax or assessment.

1662 (5) The following insurers are not subject to the premium tax on health care insurance
1663 that would otherwise be applicable under Subsection (1):

1664 (a) an insurer licensed under Title 31A, Chapter 5, Domestic Stock and Mutual
1665 Insurance Corporations;

1666 (b) an insurer licensed under Title 31A, Chapter 7, Nonprofit Health Service Insurance
1667 Corporations;

1668 (c) an insurer licensed under Title 31A, Chapter 8, Health Maintenance Organizations
1669 and Limited Health Plans;

1670 (d) an insurer licensed under Title 31A, Chapter 9, Insurance Fraternal;

1671 (e) an insurer licensed under Title 31A, Chapter 11, Motor Clubs; and

1672 [~~(f) an insurer licensed under Title 31A, Chapter 13, Employee Welfare Funds and~~
1673 ~~Plans; and]~~

1674 [~~(g)~~ (f) an insurer licensed under Title 31A, Chapter 14, Foreign Insurers.

1675 (6) An insurer issuing multiple policies to an insured may not artificially allocate the
1676 premiums among the policies for purposes of reducing the aggregate premium tax or
1677 assessment applicable to the policies.

1678 (7) The retaliatory provisions of Title 31A, Chapter 3, Department Funding, Fees, and
1679 Taxes, apply to the tax or assessment imposed under this chapter.

1680 Section 29. Section **63A-3-401** is amended to read:

1681 **63A-3-401. Definitions.**

1682 As used in this part:

1683 (1) "Board" means the Utah Transparency Advisory Board created under Section
1684 [63A-3-403](#).

1685 (2) "Division" means the Division of Finance of the Department of Administrative
1686 Services.

1687 (3) (a) "Independent entity," except as provided in Subsection (3)(c), means the same
1688 as that term is defined in Section [63E-1-102](#).

1689 (b) "Independent entity" includes an entity that is part of an independent entity
1690 described in this Subsection (3), if the entity is considered a component unit of the independent
1691 entity under the governmental accounting standards issued by the Governmental Accounting
1692 Standards Board.

1693 (c) "Independent entity" does not include[~~:(i) the Workers' Compensation Fund~~
1694 ~~created in Section [31A-33-102](#), or (ii)] the Utah State Retirement Office created in Section
1695 [49-11-201](#).~~

1696 (4) "Participating local entity" means each of the following local entities:

1697 (a) a county;

1698 (b) a municipality;

1699 (c) a local district under Title 17B, Limited Purpose Local Government Entities - Local
1700 Districts;

1701 (d) a special service district under Title 17D, Chapter 1, Special Service District Act;

1702 (e) a school district;

1703 (f) a charter school;

1704 (g) except for a taxed interlocal entity as defined in Section [11-13-602](#), an interlocal
1705 entity as defined in Section [11-13-103](#); and

1706 (h) except for a taxed interlocal entity as defined in Section [11-13-602](#), an entity that is
1707 part of an entity described in Subsections (4)(a) through (g), if the entity is considered a
1708 component unit of the entity described in Subsections (4)(a) through (g) under the
1709 governmental accounting standards issued by the Governmental Accounting Standards Board.

1710 (5) (a) "Participating state entity" means the state of Utah, including its executive,
1711 legislative, and judicial branches, its departments, divisions, agencies, boards, commissions,
1712 councils, committees, and institutions.

1713 (b) "Participating state entity" includes an entity that is part of an entity described in
1714 Subsection (5)(a), if the entity is considered a component unit of the entity described in
1715 Subsection (5)(a) under the governmental accounting standards issued by the Governmental
1716 Accounting Standards Board.

1717 (6) "Public financial information" means records that are required to be made available
1718 on the Utah Public Finance Website, a participating local entity's website, or an independent
1719 entity's website as required by this part, and as the term "public financial information" is
1720 defined by rule under Section [63A-3-404](#).

1721 Section 30. Section **63E-1-102** is amended to read:

1722 **63E-1-102. Definitions -- List of independent entities.**

1723 As used in this title:

1724 (1) "Authorizing statute" means the statute creating an entity as an independent entity.

1725 (2) "Committee" means the Retirement and Independent Entities Committee created by
1726 Section [63E-1-201](#).

1727 (3) "Independent corporation" means a corporation incorporated in accordance with
1728 Chapter 2, Independent Corporations Act.

1729 (4) (a) "Independent entity" means an entity having a public purpose relating to the
1730 state or its citizens that is individually created by the state or is given by the state the right to
1731 exist and conduct its affairs as an:

1732 (i) independent state agency; or

1733 (ii) independent corporation.

1734 (b) "Independent entity" includes the:

1735 (i) Utah Dairy Commission created by Section [4-22-2](#);

1736 (ii) Heber Valley Historic Railroad Authority created by Section [63H-4-102](#);

1737 (iii) Utah State Railroad Museum Authority created by Section [63H-5-102](#);

- 1738 (iv) Utah Housing Corporation created by Section [63H-8-201](#);
- 1739 (v) Utah State Fair Corporation created by Section [63H-6-103](#);
- 1740 [~~(vi)~~] ~~Workers' Compensation Fund created by Section [31A-33-102](#);~~
- 1741 [~~(vii)~~] (vi) Utah State Retirement Office created by Section [49-11-201](#);
- 1742 [~~(viii)~~] (vii) School and Institutional Trust Lands Administration created by Section
- 1743 [53C-1-201](#);
- 1744 [~~(ix)~~] (viii) School and Institutional Trust Fund Office created by Section [53D-1-201](#);
- 1745 [~~(x)~~] (ix) Utah Communications Authority created by Section [~~[63N-6-201](#)~~]
- 1746 [63H-7a-201](#);
- 1747 [~~(xi)~~] (x) Utah Energy Infrastructure Authority created by Section [63H-2-201](#);
- 1748 [~~(xii)~~] (xi) Utah Capital Investment Corporation created by Section [63N-6-301](#); and
- 1749 [~~(xiii)~~] (xii) Military Installation Development Authority created by Section
- 1750 [63H-1-201](#).
- 1751 (c) Notwithstanding this Subsection (4), "independent entity" does not include:
- 1752 (i) the Public Service Commission of Utah created by Section [54-1-1](#);
- 1753 (ii) an institution within the state system of higher education;
- 1754 (iii) a city, county, or town;
- 1755 (iv) a local school district;
- 1756 (v) a local district under Title 17B, Limited Purpose Local Government Entities - Local
- 1757 Districts; or
- 1758 (vi) a special service district under Title 17D, Chapter 1, Special Service District Act.
- 1759 (5) "Independent state agency" means an entity that is created by the state, but is
- 1760 independent of the governor's direct supervisory control.
- 1761 (6) "Money held in trust" means money maintained for the benefit of:
- 1762 (a) one or more private individuals, including public employees;
- 1763 (b) one or more public or private entities; or
- 1764 (c) the owners of a quasi-public corporation.
- 1765 (7) "Public corporation" means an artificial person, public in ownership, individually

1766 created by the state as a body politic and corporate for the administration of a public purpose
1767 relating to the state or its citizens.

1768 (8) "Quasi-public corporation" means an artificial person, private in ownership,
1769 individually created as a corporation by the state, which has accepted from the state the grant of
1770 a franchise or contract involving the performance of a public purpose relating to the state or its
1771 citizens.

1772 Section 31. Section **63E-1-203** is amended to read:

1773 **63E-1-203. Exemptions from committee activities.**

1774 Notwithstanding the other provisions of this Part 2, Retirement and Independent
1775 Entities Committee, and Subsection **63E-1-102**(4), the ~~[following independent entities are]~~
1776 Utah Housing Corporation created in Section **63H-8-201** is exempt from the study by the
1777 committee under Section **63E-1-202**[+].

1778 ~~[(1) the Workers' Compensation Fund created in Title 31A, Chapter 33, Workers'~~
1779 ~~Compensation Fund; and]~~

1780 ~~[(2) the Utah Housing Corporation created in Section **63H-8-201**.]~~

1781 Section 32. Section **63I-4a-102** is amended to read:

1782 **63I-4a-102. Definitions.**

1783 (1) (a) "Activity" means to provide a good or service.

1784 (b) "Activity" includes to:

1785 (i) manufacture a good or service;

1786 (ii) process a good or service;

1787 (iii) sell a good or service;

1788 (iv) offer for sale a good or service;

1789 (v) rent a good or service;

1790 (vi) lease a good or service;

1791 (vii) deliver a good or service;

1792 (viii) distribute a good or service; or

1793 (ix) advertise a good or service.

- 1794 (2) (a) Except as provided in Subsection (2)(b), "agency" means:
- 1795 (i) the state; or
- 1796 (ii) an entity of the state including a department, office, division, authority,
- 1797 commission, or board.
- 1798 (b) "Agency" does not include:
- 1799 (i) the Legislature;
- 1800 (ii) an entity or agency of the Legislature;
- 1801 (iii) the state auditor;
- 1802 (iv) the state treasurer;
- 1803 (v) the Office of the Attorney General;
- 1804 (vi) the Utah Dairy Commission created in Section [4-22-2](#);
- 1805 (vii) the Heber Valley Historic Railroad Authority created in Section [63H-4-102](#);
- 1806 (viii) the Utah State Railroad Museum Authority created in Section [63H-5-102](#);
- 1807 (ix) the Utah Housing Corporation created in Section [63H-8-201](#);
- 1808 (x) the Utah State Fair Corporation created in Section [63H-6-103](#);
- 1809 [~~(xi) the Workers' Compensation Fund created in Section [31A-33-102](#);~~]
- 1810 [~~(xii)~~ [\(xi\)](#) the Utah State Retirement Office created in Section [49-11-201](#);
- 1811 [~~(xiii)~~ [\(xii\)](#) a charter school chartered by the State Charter School Board or a board of
- 1812 trustees of a higher education institution under Title 53A, Chapter 1a, Part 5, The Utah Charter
- 1813 Schools Act;
- 1814 [~~(xiv)~~ [\(xiii\)](#) the Utah Schools for the Deaf and the Blind created in Title 53A, Chapter
- 1815 25b, Utah Schools for the Deaf and the Blind;
- 1816 [~~(xv)~~ [\(xiv\)](#) an institution of higher education as defined in Section [53B-3-102](#);
- 1817 [~~(xvi)~~ [\(xv\)](#) the School and Institutional Trust Lands Administration created in Section
- 1818 [53C-1-201](#);
- 1819 [~~(xvii)~~ [\(xvi\)](#) the Utah Communications Authority created in Section [63H-7a-201](#); or
- 1820 [~~(xviii)~~ [\(xvii\)](#) the Utah Capital Investment Corporation created in Section [63N-6-301](#).
- 1821 (3) "Agency head" means the chief administrative officer of an agency.

1822 (4) "Board" means the Free Market Protection and Privatization Board created in
1823 Section [63I-4a-202](#).

1824 (5) "Commercial activity" means to engage in an activity that can be obtained in whole
1825 or in part from a private enterprise.

1826 (6) "Local entity" means:

1827 (a) a political subdivision of the state, including a:

1828 (i) county;

1829 (ii) city;

1830 (iii) town;

1831 (iv) local school district;

1832 (v) local district; or

1833 (vi) special service district;

1834 (b) an agency of an entity described in this Subsection (6), including a department,
1835 office, division, authority, commission, or board; or

1836 (c) an entity created by an interlocal cooperative agreement under Title 11, Chapter 13,
1837 Interlocal Cooperation Act, between two or more entities described in this Subsection (6).

1838 (7) "Private enterprise" means a person that engages in an activity for profit.

1839 (8) "Privatize" means that an activity engaged in by an agency is transferred so that a
1840 private enterprise engages in the activity, including a transfer by:

1841 (a) contract;

1842 (b) transfer of property; or

1843 (c) another arrangement.

1844 (9) "Special district" means:

1845 (a) a local district, as defined in Section [17B-1-102](#);

1846 (b) a special service district, as defined in Section [17D-1-102](#); or

1847 (c) a conservation district, as defined in Section [17D-3-102](#).

1848 Section 33. Section **63J-2-102** is amended to read:

1849 **63J-2-102. Definitions.**

1850 As used in this chapter:

1851 (1) (a) "Agency" means each department, commission, board, council, agency,
1852 institution, officer, corporation, fund, division, office, committee, authority, laboratory, library,
1853 unit, bureau, panel, or other administrative unit of the state.

1854 (b) "Agency" does not include the legislative branch, the board of regents, the Utah
1855 Higher Education Assistance Authority, the board of trustees of each higher education
1856 institution, each higher education institution and its associated branches, centers, divisions,
1857 institutes, foundations, hospitals, colleges, schools, or departments, a public education entity,
1858 or an independent agency.

1859 (2) (a) "Dedicated credits revenues" means revenues from collections by an agency that
1860 are deposited directly into an account for expenditure on a separate line item and program.

1861 (b) "Dedicated credits revenues" does not mean:

1862 (i) federal revenues and the related pass through or the related state match paid by one
1863 agency to another;

1864 (ii) revenues that are not deposited in governmental funds; or

1865 (iii) revenues from any contracts.

1866 (3) "Fees" means revenue collected by an agency for performing a service or providing
1867 a function that the agency deposits or accounts for as dedicated credits or fixed collections.

1868 (4) (a) "Fixed collections revenues" means revenue from collections:

1869 (i) fixed by law or by the appropriation act at a specific amount; and

1870 (ii) required by law to be deposited into a separate line item and program.

1871 (b) "Fixed collections revenues" does not mean:

1872 (i) federal revenues and the related pass through or the related state match paid by one
1873 agency to another;

1874 (ii) revenues that are not deposited in governmental funds;

1875 (iii) revenues from any contracts; and

1876 (iv) revenues received by the Attorney General's Office from billings for professional
1877 services.

1878 (5) (a) "Governmental fund" means funds used to account for the acquisition, use, and
1879 balances of expendable financial resources and related liabilities using a measurement focus
1880 that emphasizes the flow of financial resources.

1881 (b) "Governmental fund" does not include internal service funds, enterprise funds,
1882 capital projects funds, debt service funds, or trust and agency funds as established in Section
1883 51-5-4.

1884 (6) "Independent agency" means the Utah State Retirement Office[;] and the Utah
1885 Housing Corporation[; ~~and the Workers' Compensation Fund~~].

1886 (7) "Program" means the function or service provided by an agency for which the
1887 agency collects fees.

1888 (8) "Revenue types" means the categories established by the Division of Finance under
1889 the authority of this chapter that classify revenue according to the purpose for which it is
1890 collected.

1891 Section 34. Section **63J-7-102** is amended to read:

1892 **63J-7-102. Scope and applicability of chapter.**

1893 (1) Except as provided in Subsection (2), and except as otherwise provided by a statute
1894 superseding provisions of this chapter by explicit reference to this chapter, the provisions of
1895 this chapter apply to each agency and govern each grant received on or after May 5, 2008.

1896 (2) This chapter does not govern:

1897 (a) a grant deposited into a General Fund restricted account;

1898 (b) a grant deposited into a Trust and Agency Fund as defined in Section 51-5-4;

1899 (c) a grant deposited into an Enterprise Fund as defined in Section 51-5-4;

1900 (d) a grant made to the state without a restriction or other designated purpose that is
1901 deposited into the General Fund as free revenue;

1902 (e) a grant made to the state that is restricted only to "education" and that is deposited
1903 into the Education Fund or Uniform School Fund as free revenue;

1904 (f) in-kind donations;

1905 (g) a tax, fees, penalty, fine, surcharge, money judgment, or other money due the state

1906 when required by state law or application of state law;

1907 (h) a contribution made under Title 59, Chapter 10, Part 13, Individual Income Tax

1908 Contribution Act;

1909 (i) a grant received by an agency from another agency or political subdivision;

1910 (j) a grant to the Utah Dairy Commission created in Section 4-22-2;

1911 (k) a grant to the Heber Valley Historic Railroad Authority created in Section

1912 63H-4-102;

1913 (l) a grant to the Utah State Railroad Museum Authority created in Section 63H-5-102;

1914 (m) a grant to the Utah Housing Corporation created in Section 63H-8-201;

1915 (n) a grant to the Utah State Fair Corporation created in Section 63H-6-103;

1916 [~~(o)~~] a grant to the Workers' Compensation Fund created in Section 31A-33-102;]

1917 [~~(p)~~] (o) a grant to the Utah State Retirement Office created in Section 49-11-201;

1918 [~~(q)~~] (p) a grant to the School and Institutional Trust Lands Administration created in

1919 Section 53C-1-201;

1920 [~~(r)~~] (q) a grant to the Utah Communications Authority created in Section 63H-7a-201;

1921 [~~(s)~~] (r) a grant to the Medical Education Program created in Section 53B-24-202;

1922 [~~(t)~~] (s) a grant to the Utah Capital Investment Corporation created in Section

1923 63N-6-301;

1924 [~~(u)~~] (t) a grant to the Utah Charter School Finance Authority created in Section

1925 53A-20b-103;

1926 [~~(v)~~] (u) a grant to the State Building Ownership Authority created in Section

1927 63B-1-304;

1928 [~~(w)~~] (v) a grant to the Utah Comprehensive Health Insurance Pool created in Section

1929 31A-29-104; or

1930 [~~(x)~~] (w) a grant to the Military Installation Development Authority created in Section

1931 63H-1-201.

1932 (3) An agency need not seek legislative review or approval of grants under Part 2,

1933 Grant Approval Requirements, if:

1934 (a) the governor has declared a state of emergency; and
1935 (b) the grant is donated to the agency to assist victims of the state of emergency under
1936 Subsection 53-2a-204(1).

1937 Section 35. Section 67-4-2 is amended to read:

1938 **67-4-2. Definitions.**

1939 As used in this chapter:

1940 (1) "Federal funds" means cash received from the United States government or from
1941 other individuals or entities for or on behalf of the United States and deposited with the state
1942 treasurer or any agency of the state.

1943 (2) "General Fund" means money received into the treasury and not specially
1944 appropriated to any other fund.

1945 (3) "Maintain custody" means to direct the safekeeping and investment of state funds.

1946 (4) (a) "State entity" means each department, commission, board, council, agency,
1947 institution, officer, corporation, fund, division, office, committee, authority, laboratory, library,
1948 unit, bureau, panel, or other administrative unit of the state.

1949 (b) "State entity" includes independent state agencies and public corporations.

1950 (5) (a) "State funds" means funds that are owned, held, or administered by a state
1951 entity, regardless of the source of the funds.

1952 (b) "State funds" includes funds of independent state agencies or public corporations,
1953 regardless of the source of funds.

1954 (c) "State funds" does not include funds held by the Utah State Retirement Board [~~or~~
1955 ~~the Workers' Compensation Fund~~].

1956 (6) "Warrant" means an order in a specific amount drawn upon the treasurer by the
1957 Division of Finance or another state agency.

1958 Section 36. **Repealer.**

1959 This bill repeals:

1960 Section 31A-33-101, **Definitions.**

1961 Section 31A-33-102, **Establishment of the Workers' Compensation Fund and the**

- 1962 **Injury Fund.**
- 1963 Section [31A-33-103](#), **Legal nature of Workers' Compensation Fund.**
- 1964 Section [31A-33-103.5](#), **Powers of fund -- Limitations.**
- 1965 Section [31A-33-104](#), **Workers' Compensation Fund exempted.**
- 1966 Section [31A-33-105](#), **Price of insurance -- Liability of state.**
- 1967 Section [31A-33-106](#), **Board of directors -- Status of the fund in relationship to the**
- 1968 **state.**
- 1969 Section [31A-33-107](#), **Duties of board -- Creation of subsidiaries -- Entering into**
- 1970 **joint enterprises.**
- 1971 Section [31A-33-108](#), **Powers and duties of chief executive officer.**
- 1972 Section [31A-33-109](#), **Liability limited.**
- 1973 Section [31A-33-110](#), **Audits and examinations required.**
- 1974 Section [31A-33-111](#), **Adoption of rates.**
- 1975 Section [31A-33-112](#), **Withdrawal of policyholders.**
- 1976 Section [31A-33-113](#), **Cancellation of policies.**
- 1977 Section [31A-33-114](#), **Premium assessment.**
- 1978 Section [31A-33-115](#), **Interest and costs of collecting delinquent premium.**
- 1979 Section [31A-33-116](#), **Dividends.**
- 1980 Section [31A-33-117](#), **Availability of employers' reports.**
- 1981 Section [31A-33-118](#), **Scope of chapter.-**
- 1982 Section 37. **Effective date.**
- 1983 (1) Except as provided in Subsection (2), this bill takes effect on December 31, 2017.
- 1984 (2) Section [31A-22-1014](#) enacted in this bill takes effect on May 9, 2017.
- 1985 Section 38. **Revisor instructions.**
- 1986 The Legislature intends that the Office of Legislative Research and General Counsel, in
- 1987 preparing the Utah Code database for publication, replace the phrase "this bill" in Subsections
- 1988 [31A-22-1001](#)(1), [31A-22-1014](#)(1), and [49-11-624](#)(1) with the bill's designated chapter number
- 1989 in the Laws of Utah.

1990