

**FAMILY LEAVE REQUIREMENTS AMENDMENTS**

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Nate Blouin**

House Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill deals with family leave insurance.

**Highlighted Provisions:**

This bill:

- ▶ defines family leave insurance; and
- ▶ includes family leave insurance in the definition of income replacement and disability income insurance.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**31A-1-301**, as last amended by Laws of Utah 2023, Chapter 327

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

Section 1. Section **31A-1-301** is amended to read:

**31A-1-301. Definitions.**

As used in this title, unless otherwise specified:

(1) (a) "Accident and health insurance" means insurance to provide protection against



28 economic losses resulting from:

29 (i) a medical condition including:

30 (A) a medical care expense; or

31 (B) the risk of disability;

32 (ii) accident; or

33 (iii) sickness.

34 (b) "Accident and health insurance":

35 (i) includes a contract with disability contingencies including:

36 (A) an income replacement contract;

37 (B) a health care contract;

38 (C) a fixed indemnity contract;

39 (D) a credit accident and health contract;

40 (E) a continuing care contract; and

41 (F) a long-term care contract; and

42 (ii) may provide:

43 (A) hospital coverage;

44 (B) surgical coverage;

45 (C) medical coverage;

46 (D) loss of income coverage;

47 (E) prescription drug coverage;

48 (F) dental coverage; or

49 (G) vision coverage.

50 (c) "Accident and health insurance" does not include workers' compensation insurance.

51 (d) For purposes of a national licensing registry, "accident and health insurance" is the  
52 same as "accident and health or sickness insurance."

53 (2) "Actuary" is as defined by the commissioner by rule, made in accordance with Title  
54 63G, Chapter 3, Utah Administrative Rulemaking Act.

55 (3) "Administrator" means the same as that term is defined in Subsection [~~(182)~~] (183).

56 (4) "Adult" means an individual who is 18 years old or older.

57 (5) "Affiliate" means a person who controls, is controlled by, or is under common  
58 control with, another person. A corporation is an affiliate of another corporation, regardless of

59 ownership, if substantially the same group of individuals manage the corporations.

60 (6) "Agency" means:

61 (a) a person other than an individual, including a sole proprietorship by which an  
62 individual does business under an assumed name; and

63 (b) an insurance organization licensed or required to be licensed under Section  
64 [31A-23a-301](#), [31A-25-207](#), or [31A-26-209](#).

65 (7) "Alien insurer" means an insurer domiciled outside the United States.

66 (8) "Amendment" means an endorsement to an insurance policy or certificate.

67 (9) "Annuity" means an agreement to make periodical payments for a period certain or  
68 over the lifetime of one or more individuals if the making or continuance of all or some of the  
69 series of the payments, or the amount of the payment, is dependent upon the continuance of  
70 human life.

71 (10) "Application" means a document:

72 (a) (i) completed by an applicant to provide information about the risk to be insured;  
73 and

74 (ii) that contains information that is used by the insurer to evaluate risk and decide  
75 whether to:

76 (A) insure the risk under:

77 (I) the coverage as originally offered; or

78 (II) a modification of the coverage as originally offered; or

79 (B) decline to insure the risk; or

80 (b) used by the insurer to gather information from the applicant before issuance of an  
81 annuity contract.

82 (11) "Articles" or "articles of incorporation" means:

83 (a) the original articles;

84 (b) a special law;

85 (c) a charter;

86 (d) an amendment;

87 (e) restated articles;

88 (f) articles of merger or consolidation;

89 (g) a trust instrument;

90 (h) another constitutive document for a trust or other entity that is not a corporation;  
91 and

92 (i) an amendment to an item listed in Subsections (11)(a) through (h).

93 (12) "Bail bond insurance" means a guarantee that a person will attend court when  
94 required, up to and including surrender of the person in execution of a sentence imposed under  
95 Subsection 77-20-501(1), as a condition to the release of that person from confinement.

96 (13) "Binder" means the same as that term is defined in Section 31A-21-102.

97 (14) "Blanket insurance policy" or "blanket contract" means a group insurance policy  
98 covering a defined class of persons:

99 (a) without individual underwriting or application; and

100 (b) that is determined by definition without designating each person covered.

101 (15) "Board," "board of trustees," or "board of directors" means the group of persons  
102 with responsibility over, or management of, a corporation, however designated.

103 (16) "Bona fide office" means a physical office in this state:

104 (a) that is open to the public;

105 (b) that is staffed during regular business hours on regular business days; and

106 (c) at which the public may appear in person to obtain services.

107 (17) "Business entity" means:

108 (a) a corporation;

109 (b) an association;

110 (c) a partnership;

111 (d) a limited liability company;

112 (e) a limited liability partnership; or

113 (f) another legal entity.

114 (18) "Business of insurance" means the same as that term is defined in Subsection  
115 ~~[(95)]~~ (96).

116 (19) "Business plan" means the information required to be supplied to the  
117 commissioner under Subsections 31A-5-204(2)(i) and (j), including the information required  
118 when these subsections apply by reference under:

119 (a) Section 31A-8-205; or

120 (b) Subsection 31A-9-205(2).

121 (20) (a) "Bylaws" means the rules adopted for the regulation or management of a  
122 corporation's affairs, however designated.

123 (b) "Bylaws" includes comparable rules for a trust or other entity that is not a  
124 corporation.

125 (21) "Captive insurance company" means:

126 (a) an insurer:

127 (i) owned by a parent organization; and

128 (ii) whose purpose is to insure risks of the parent organization and other risks as  
129 authorized under:

130 (A) Chapter 37, Captive Insurance Companies Act; and

131 (B) Chapter 37a, Special Purpose Financial Captive Insurance Company Act; or

132 (b) in the case of a group or association, an insurer:

133 (i) owned by the insureds; and

134 (ii) whose purpose is to insure risks of:

135 (A) a member organization;

136 (B) a group member; or

137 (C) an affiliate of:

138 (I) a member organization; or

139 (II) a group member.

140 (22) "Casualty insurance" means liability insurance.

141 (23) "Certificate" means evidence of insurance given to:

142 (a) an insured under a group insurance policy; or

143 (b) a third party.

144 (24) "Certificate of authority" is included within the term "license."

145 (25) "Claim," unless the context otherwise requires, means a request or demand on an  
146 insurer for payment of a benefit according to the terms of an insurance policy.

147 (26) "Claims-made coverage" means an insurance contract or provision limiting  
148 coverage under a policy insuring against legal liability to claims that are first made against the  
149 insured while the policy is in force.

150 (27) (a) "Commissioner" or "commissioner of insurance" means Utah's insurance  
151 commissioner.

152 (b) When appropriate, the terms listed in Subsection (27)(a) apply to the equivalent  
153 supervisory official of another jurisdiction.

154 (28) (a) "Continuing care insurance" means insurance that:

155 (i) provides board and lodging;

156 (ii) provides one or more of the following:

157 (A) a personal service;

158 (B) a nursing service;

159 (C) a medical service; or

160 (D) any other health-related service; and

161 (iii) provides the coverage described in this Subsection (28)(a) under an agreement  
162 effective:

163 (A) for the life of the insured; or

164 (B) for a period in excess of one year.

165 (b) Insurance is continuing care insurance regardless of whether or not the board and  
166 lodging are provided at the same location as a service described in Subsection (28)(a)(ii).

167 (29) (a) "Control," "controlling," "controlled," or "under common control" means the  
168 direct or indirect possession of the power to direct or cause the direction of the management  
169 and policies of a person. This control may be:

170 (i) by contract;

171 (ii) by common management;

172 (iii) through the ownership of voting securities; or

173 (iv) by a means other than those described in Subsections (29)(a)(i) through (iii).

174 (b) There is no presumption that an individual holding an official position with another  
175 person controls that person solely by reason of the position.

176 (c) A person having a contract or arrangement giving control is considered to have  
177 control despite the illegality or invalidity of the contract or arrangement.

178 (d) There is a rebuttable presumption of control in a person who directly or indirectly  
179 owns, controls, holds with the power to vote, or holds proxies to vote 10% or more of the  
180 voting securities of another person.

181 (30) "Controlled insurer" means a licensed insurer that is either directly or indirectly  
182 controlled by a producer.

183 (31) "Controlling person" means a person that directly or indirectly has the power to  
184 direct or cause to be directed, the management, control, or activities of a reinsurance  
185 intermediary.

186 (32) "Controlling producer" means a producer who directly or indirectly controls an  
187 insurer.

188 (33) "Corporate governance annual disclosure" means a report an insurer or insurance  
189 group files in accordance with the requirements of Chapter 16b, Corporate Governance Annual  
190 Disclosure Act.

191 (34) (a) "Corporation" means an insurance corporation, except when referring to:

192 (i) a corporation doing business:

193 (A) as:

194 (I) an insurance producer;

195 (II) a surplus lines producer;

196 (III) a limited line producer;

197 (IV) a consultant;

198 (V) a managing general agent;

199 (VI) a reinsurance intermediary;

200 (VII) a third party administrator; or

201 (VIII) an adjuster; and

202 (B) under:

203 (I) Chapter 23a, Insurance Marketing - Licensing Producers, Consultants, and  
204 Reinsurance Intermediaries;

205 (II) Chapter 25, Third Party Administrators; or

206 (III) Chapter 26, Insurance Adjusters; or

207 (ii) a noninsurer that is part of a holding company system under Chapter 16, Insurance  
208 Holding Companies.

209 (b) "Mutual" or "mutual corporation" means a mutual insurance corporation.

210 (c) "Stock corporation" means a stock insurance corporation.

211 (35) (a) "Creditable coverage" has the same meaning as provided in federal regulations  
212 adopted pursuant to the Health Insurance Portability and Accountability Act.

213 (b) "Creditable coverage" includes coverage that is offered through a public health plan

214 such as:

215 (i) the Primary Care Network Program under a Medicaid primary care network  
216 demonstration waiver obtained subject to Section 26B-3-108;

217 (ii) the Children's Health Insurance Program under Section 26B-3-904; or

218 (iii) the Ryan White Program Comprehensive AIDS Resources Emergency Act, Pub. L.  
219 No. 101-381, and Ryan White HIV/AIDS Treatment Modernization Act of 2006, Pub. L. No.  
220 109-415.

221 (36) "Credit accident and health insurance" means insurance on a debtor to provide  
222 indemnity for payments coming due on a specific loan or other credit transaction while the  
223 debtor has a disability.

224 (37) (a) "Credit insurance" means insurance offered in connection with an extension of  
225 credit that is limited to partially or wholly extinguishing that credit obligation.

226 (b) "Credit insurance" includes:

227 (i) credit accident and health insurance;

228 (ii) credit life insurance;

229 (iii) credit property insurance;

230 (iv) credit unemployment insurance;

231 (v) guaranteed automobile protection insurance;

232 (vi) involuntary unemployment insurance;

233 (vii) mortgage accident and health insurance;

234 (viii) mortgage guaranty insurance; and

235 (ix) mortgage life insurance.

236 (38) "Credit life insurance" means insurance on the life of a debtor in connection with  
237 an extension of credit that pays a person if the debtor dies.

238 (39) "Creditor" means a person, including an insured, having a claim, whether:

239 (a) matured;

240 (b) unmatured;

241 (c) liquidated;

242 (d) unliquidated;

243 (e) secured;

244 (f) unsecured;

- 245 (g) absolute;
- 246 (h) fixed; or
- 247 (i) contingent.
- 248 (40) "Credit property insurance" means insurance:
- 249 (a) offered in connection with an extension of credit; and
- 250 (b) that protects the property until the debt is paid.
- 251 (41) "Credit unemployment insurance" means insurance:
- 252 (a) offered in connection with an extension of credit; and
- 253 (b) that provides indemnity if the debtor is unemployed for payments coming due on a:
- 254 (i) specific loan; or
- 255 (ii) credit transaction.
- 256 (42) (a) "Crop insurance" means insurance providing protection against damage to
- 257 crops from unfavorable weather conditions, fire or lightning, flood, hail, insect infestation,
- 258 disease, or other yield-reducing conditions or perils that is:
- 259 (i) provided by the private insurance market; or
- 260 (ii) subsidized by the Federal Crop Insurance Corporation.
- 261 (b) "Crop insurance" includes multiperil crop insurance.
- 262 (43) (a) "Customer service representative" means a person that provides an insurance
- 263 service and insurance product information:
- 264 (i) for the customer service representative's:
- 265 (A) producer;
- 266 (B) surplus lines producer; or
- 267 (C) consultant employer; and
- 268 (ii) to the customer service representative's employer's:
- 269 (A) customer;
- 270 (B) client; or
- 271 (C) organization.
- 272 (b) A customer service representative may only operate within the scope of authority of
- 273 the customer service representative's producer, surplus lines producer, or consultant employer.
- 274 (44) "Deadline" means a final date or time:
- 275 (a) imposed by:

- 276 (i) statute;
- 277 (ii) rule; or
- 278 (iii) order; and
- 279 (b) by which a required filing or payment must be received by the department.
- 280 (45) "Deemer clause" means a provision under this title under which upon the
- 281 occurrence of a condition precedent, the commissioner is considered to have taken a specific
- 282 action. If the statute so provides, a condition precedent may be the commissioner's failure to
- 283 take a specific action.
- 284 (46) "Degree of relationship" means the number of steps between two persons
- 285 determined by counting the generations separating one person from a common ancestor and
- 286 then counting the generations to the other person.
- 287 (47) "Department" means the Insurance Department.
- 288 (48) "Director" means a member of the board of directors of a corporation.
- 289 (49) "Disability" means a physiological or psychological condition that partially or
- 290 totally limits an individual's ability to:
- 291 (a) perform the duties of:
- 292 (i) that individual's occupation; or
- 293 (ii) an occupation for which the individual is reasonably suited by education, training,
- 294 or experience; or
- 295 (b) perform two or more of the following basic activities of daily living:
- 296 (i) eating;
- 297 (ii) toileting;
- 298 (iii) transferring;
- 299 (iv) bathing; or
- 300 (v) dressing.
- 301 (50) "Disability income insurance" means the same as that term is defined in
- 302 Subsection [~~(86)~~] (87).
- 303 (51) "Domestic insurer" means an insurer organized under the laws of this state.
- 304 (52) "Domiciliary state" means the state in which an insurer:
- 305 (a) is incorporated;
- 306 (b) is organized; or

- 307 (c) in the case of an alien insurer, enters into the United States.
- 308 (53) (a) "Eligible employee" means:
- 309 (i) an employee who:
- 310 (A) works on a full-time basis; and
- 311 (B) has a normal work week of 30 or more hours; or
- 312 (ii) a person described in Subsection (53)(b).
- 313 (b) "Eligible employee" includes:
- 314 (i) an owner, sole proprietor, or partner who:
- 315 (A) works on a full-time basis;
- 316 (B) has a normal work week of 30 or more hours; and
- 317 (C) employs at least one common employee; and
- 318 (ii) an independent contractor if the individual is included under a health benefit plan
- 319 of a small employer.
- 320 (c) "Eligible employee" does not include, unless eligible under Subsection (53)(b):
- 321 (i) an individual who works on a temporary or substitute basis for a small employer;
- 322 (ii) an employer's spouse who does not meet the requirements of Subsection (53)(a)(i);
- 323 or
- 324 (iii) a dependent of an employer who does not meet the requirements of Subsection
- 325 (53)(a)(i).
- 326 (54) "Emergency medical condition" means a medical condition that:
- 327 (a) manifests itself by acute symptoms, including severe pain; and
- 328 (b) would cause a prudent layperson possessing an average knowledge of medicine and
- 329 health to reasonably expect the absence of immediate medical attention through a hospital
- 330 emergency department to result in:
- 331 (i) placing the layperson's health or the layperson's unborn child's health in serious
- 332 jeopardy;
- 333 (ii) serious impairment to bodily functions; or
- 334 (iii) serious dysfunction of any bodily organ or part.
- 335 (55) "Employee" means:
- 336 (a) an individual employed by an employer; or
- 337 (b) an individual who meets the requirements of Subsection (53)(b).

- 338 (56) "Employee benefits" means one or more benefits or services provided to:
- 339 (a) an employee; or
- 340 (b) a dependent of an employee.
- 341 (57) (a) "Employee welfare fund" means a fund:
- 342 (i) established or maintained, whether directly or through a trustee, by:
- 343 (A) one or more employers;
- 344 (B) one or more labor organizations; or
- 345 (C) a combination of employers and labor organizations; and
- 346 (ii) that provides employee benefits paid or contracted to be paid, other than income
- 347 from investments of the fund:
- 348 (A) by or on behalf of an employer doing business in this state; or
- 349 (B) for the benefit of a person employed in this state.
- 350 (b) "Employee welfare fund" includes a plan funded or subsidized by a user fee or tax
- 351 revenues.
- 352 (58) "Endorsement" means a written agreement attached to a policy or certificate to
- 353 modify the policy or certificate coverage.
- 354 (59) (a) "Enrollee" means:
- 355 (i) a policyholder;
- 356 (ii) a certificate holder;
- 357 (iii) a subscriber; or
- 358 (iv) a covered individual:
- 359 (A) who has entered into a contract with an organization for health care; or
- 360 (B) on whose behalf an arrangement for health care has been made.
- 361 (b) "Enrollee" includes an insured.
- 362 (60) "Enrollment date," with respect to a health benefit plan, means:
- 363 (a) the first day of coverage; or
- 364 (b) if there is a waiting period, the first day of the waiting period.
- 365 (61) "Enterprise risk" means an activity, circumstance, event, or series of events
- 366 involving one or more affiliates of an insurer that, if not remedied promptly, is likely to have a
- 367 material adverse effect upon the financial condition or liquidity of the insurer or its insurance
- 368 holding company system as a whole, including anything that would cause:

- 369 (a) the insurer's risk-based capital to fall into an action or control level as set forth in  
370 Sections 31A-17-601 through 31A-17-613; or
- 371 (b) the insurer to be in hazardous financial condition set forth in Section 31A-27a-101.
- 372 (62) (a) "Escrow" means:
- 373 (i) a transaction that effects the sale, transfer, encumbering, or leasing of real property,  
374 when a person not a party to the transaction, and neither having nor acquiring an interest in the  
375 title, performs, in accordance with the written instructions or terms of the written agreement  
376 between the parties to the transaction, any of the following actions:
- 377 (A) the explanation, holding, or creation of a document; or  
378 (B) the receipt, deposit, and disbursement of money;
- 379 (ii) a settlement or closing involving:
- 380 (A) a mobile home;  
381 (B) a grazing right;  
382 (C) a water right; or  
383 (D) other personal property authorized by the commissioner.
- 384 (b) "Escrow" does not include:
- 385 (i) the following notarial acts performed by a notary within the state:
- 386 (A) an acknowledgment;  
387 (B) a copy certification;  
388 (C) jurat; and  
389 (D) an oath or affirmation;
- 390 (ii) the receipt or delivery of a document; or  
391 (iii) the receipt of money for delivery to the escrow agent.
- 392 (63) "Escrow agent" means an agency title insurance producer meeting the  
393 requirements of Sections 31A-4-107, 31A-14-211, and 31A-23a-204, who is acting through an  
394 individual title insurance producer licensed with an escrow subline of authority.
- 395 (64) (a) "Excludes" is not exhaustive and does not mean that another thing is not also  
396 excluded.
- 397 (b) The items listed in a list using the term "excludes" are representative examples for  
398 use in interpretation of this title.
- 399 (65) "Exclusion" means for the purposes of accident and health insurance that an

400 insurer does not provide insurance coverage, for whatever reason, for one of the following:

- 401 (a) a specific physical condition;
- 402 (b) a specific medical procedure;
- 403 (c) a specific disease or disorder; or
- 404 (d) a specific prescription drug or class of prescription drugs.

405 (66) "Family leave insurance" means insurance that provides income replacement,  
406 medical expense coverage, or other compensation or benefits to an employee who takes time  
407 away from employment to care for:

- 408 (a) a newborn, adopted, or foster child; or
- 409 (b) a family member with a serious health condition.

410 [~~(66)~~] (67) "Fidelity insurance" means insurance guaranteeing the fidelity of a person  
411 holding a position of public or private trust.

412 [~~(67)~~] (68) (a) "Filed" means that a filing is:

- 413 (i) submitted to the department as required by and in accordance with applicable  
414 statute, rule, or filing order;
- 415 (ii) received by the department within the time period provided in applicable statute,  
416 rule, or filing order; and
- 417 (iii) accompanied by the appropriate fee in accordance with:
  - 418 (A) Section 31A-3-103; or
  - 419 (B) rule.

420 (b) "Filed" does not include a filing that is rejected by the department because it is not  
421 submitted in accordance with Subsection [~~(67)(a)~~] (68)(a).

422 [~~(68)~~] (69) "Filing," when used as a noun, means an item required to be filed with the  
423 department including:

- 424 (a) a policy;
- 425 (b) a rate;
- 426 (c) a form;
- 427 (d) a document;
- 428 (e) a plan;
- 429 (f) a manual;
- 430 (g) an application;

- 431 (h) a report;
- 432 (i) a certificate;
- 433 (j) an endorsement;
- 434 (k) an actuarial certification;
- 435 (l) a licensee annual statement;
- 436 (m) a licensee renewal application;
- 437 (n) an advertisement;
- 438 (o) a binder; or
- 439 (p) an outline of coverage.

440 [~~(69)~~] (70) "First party insurance" means an insurance policy or contract in which the  
441 insurer agrees to pay a claim submitted to it by the insured for the insured's losses.

442 [~~(70)~~] (71) (a) "Fixed indemnity insurance" means accident and health insurance  
443 written to provide a fixed amount for a specified event relating to or resulting from an illness or  
444 injury.

445 (b) "Fixed indemnity insurance" includes hospital confinement indemnity insurance.

446 [~~(71)~~] (72) "Foreign insurer" means an insurer domiciled outside of this state, including  
447 an alien insurer.

448 [~~(72)~~] (73) (a) "Form" means one of the following prepared for general use:

- 449 (i) a policy;
- 450 (ii) a certificate;
- 451 (iii) an application;
- 452 (iv) an outline of coverage; or
- 453 (v) an endorsement.

454 (b) "Form" does not include a document specially prepared for use in an individual  
455 case.

456 [~~(73)~~] (74) "Franchise insurance" means an individual insurance policy provided  
457 through a mass marketing arrangement involving a defined class of persons related in some  
458 way other than through the purchase of insurance.

459 [~~(74)~~] (75) "General lines of authority" include:

- 460 (a) the general lines of insurance in Subsection [~~(75)~~] (76);
- 461 (b) title insurance under one of the following sublines of authority:

- 462 (i) title examination, including authority to act as a title marketing representative;
- 463 (ii) escrow, including authority to act as a title marketing representative; and
- 464 (iii) title marketing representative only;
- 465 (c) surplus lines;
- 466 (d) workers' compensation; and
- 467 (e) another line of insurance that the commissioner considers necessary to recognize in
- 468 the public interest.

469 [~~(75)~~] (76) "General lines of insurance" include:

- 470 (a) accident and health;
- 471 (b) casualty;
- 472 (c) life;
- 473 (d) personal lines;
- 474 (e) property; and
- 475 (f) variable contracts, including variable life and annuity.

476 [~~(76)~~] (77) "Group health plan" means an employee welfare benefit plan to the extent

477 that the plan provides medical care:

- 478 (a) (i) to an employee; or
- 479 (ii) to a dependent of an employee; and
- 480 (b) (i) directly;
- 481 (ii) through insurance reimbursement; or
- 482 (iii) through another method.

483 [~~(77)~~] (78) (a) "Group insurance policy" means a policy covering a group of persons

484 that is issued:

- 485 (i) to a policyholder on behalf of the group; and
- 486 (ii) for the benefit of a member of the group who is selected under a procedure defined
- 487 in:
- 488 (A) the policy; or
- 489 (B) an agreement that is collateral to the policy.

490 (b) A group insurance policy may include a member of the policyholder's family or a

491 dependent.

492 [~~(78)~~] (79) "Group-wide supervisor" means the commissioner or other regulatory

493 official designated as the group-wide supervisor for an internationally active insurance group  
494 under Section 31A-16-108.6.

495 ~~[(79)]~~ (80) "Guaranteed automobile protection insurance" means insurance offered in  
496 connection with an extension of credit that pays the difference in amount between the  
497 insurance settlement and the balance of the loan if the insured automobile is a total loss.

498 ~~[(80)]~~ (81) (a) "Health benefit plan" means a policy, contract, certificate, or agreement  
499 offered or issued by an insurer to provide, deliver, arrange for, pay for, or reimburse any of the  
500 costs of health care, including major medical expense coverage.

501 (b) "Health benefit plan" does not include:

502 (i) coverage only for accident or disability income insurance, or any combination  
503 thereof;

504 (ii) coverage issued as a supplement to liability insurance;

505 (iii) liability insurance, including general liability insurance and automobile liability  
506 insurance;

507 (iv) workers' compensation or similar insurance;

508 (v) automobile medical payment insurance;

509 (vi) credit-only insurance;

510 (vii) coverage for on-site medical clinics;

511 (viii) other similar insurance coverage, specified in federal regulations issued pursuant  
512 to Pub. L. No. 104-191, under which benefits for health care services are secondary or  
513 incidental to other insurance benefits;

514 (ix) the following benefits if they are provided under a separate policy, certificate, or  
515 contract of insurance or are otherwise not an integral part of the plan:

516 (A) limited scope dental or vision benefits;

517 (B) benefits for long-term care, nursing home care, home health care,  
518 community-based care, or any combination thereof; or

519 (C) other similar limited benefits, specified in federal regulations issued pursuant to  
520 Pub. L. No. 104-191;

521 (x) the following benefits if the benefits are provided under a separate policy,  
522 certificate, or contract of insurance, there is no coordination between the provision of benefits  
523 and any exclusion of benefits under any health plan, and the benefits are paid with respect to an

524 event without regard to whether benefits are provided under any health plan:

525 (A) coverage only for specified disease or illness; or

526 (B) fixed indemnity insurance;

527 (xi) the following if offered as a separate policy, certificate, or contract of insurance:

528 (A) Medicare supplemental health insurance as defined under the Social Security Act,  
529 42 U.S.C. Sec. 1395ss(g)(1);

530 (B) coverage supplemental to the coverage provided under United States Code,  
531 Title 10, Chapter 55, Civilian Health and Medical Program of the Uniformed Services  
532 (CHAMPUS); or

533 (C) similar supplemental coverage provided to coverage under a group health insurance  
534 plan;

535 (xii) short-term limited duration health insurance; and

536 (xiii) student health insurance, except as required under 45 C.F.R. Sec. 147.145.

537 ~~[(81)]~~ (82) "Health care" means any of the following intended for use in the diagnosis,  
538 treatment, mitigation, or prevention of a human ailment or impairment:

539 (a) a professional service;

540 (b) a personal service;

541 (c) a facility;

542 (d) equipment;

543 (e) a device;

544 (f) supplies; or

545 (g) medicine.

546 ~~[(82)]~~ (83) (a) "Health care insurance" or "health insurance" means insurance  
547 providing:

548 (i) a health care benefit; or

549 (ii) payment of an incurred health care expense.

550 (b) "Health care insurance" or "health insurance" does not include accident and health  
551 insurance providing a benefit for:

552 (i) replacement of income;

553 (ii) short-term accident;

554 (iii) fixed indemnity;

- 555 (iv) credit accident and health;  
556 (v) supplements to liability;  
557 (vi) workers' compensation;  
558 (vii) automobile medical payment;  
559 (viii) no-fault automobile;  
560 (ix) equivalent self-insurance; or  
561 (x) a type of accident and health insurance coverage that is a part of or attached to  
562 another type of policy.

563 [~~83~~] (84) "Health care provider" means the same as that term is defined in Section  
564 [78B-3-403](#).

565 [~~84~~] (85) "Health insurance exchange" means an exchange as defined in 45 C.F.R.  
566 Sec. 155.20.

567 [~~85~~] (86) "Health Insurance Portability and Accountability Act" means the Health  
568 Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191, 110 Stat. 1936, as  
569 amended.

570 [~~86~~] (87) "Income replacement insurance" or "disability income insurance" means  
571 insurance written to provide payments to replace income lost from accident or sickness and  
572 includes family leave insurance.

573 [~~87~~] (88) "Indemnity" means the payment of an amount to offset all or part of an  
574 insured loss.

575 [~~88~~] (89) "Independent adjuster" means an insurance adjuster required to be licensed  
576 under Section [31A-26-201](#) who engages in insurance adjusting as a representative of an insurer.

577 [~~89~~] (90) "Independently procured insurance" means insurance procured under  
578 Section [31A-15-104](#).

579 [~~90~~] (91) "Individual" means a natural person.

580 [~~91~~] (92) "Inland marine insurance" includes insurance covering:

- 581 (a) property in transit on or over land;  
582 (b) property in transit over water by means other than boat or ship;  
583 (c) bailee liability;  
584 (d) fixed transportation property such as bridges, electric transmission systems, radio  
585 and television transmission towers and tunnels; and

- 586 (e) personal and commercial property floaters.
- 587 [~~(92)~~] (93) "Insolvency" or "insolvent" means that:
- 588 (a) an insurer is unable to pay the insurer's obligations as the obligations are due;
- 589 (b) an insurer's total adjusted capital is less than the insurer's mandatory control level
- 590 RBC under Subsection 31A-17-601(8)(c); or
- 591 (c) an insurer's admitted assets are less than the insurer's liabilities.
- 592 [~~(93)~~] (94) (a) "Insurance" means:
- 593 (i) an arrangement, contract, or plan for the transfer of a risk or risks from one or more
- 594 persons to one or more other persons; or
- 595 (ii) an arrangement, contract, or plan for the distribution of a risk or risks among a
- 596 group of persons that includes the person seeking to distribute that person's risk.
- 597 (b) "Insurance" includes:
- 598 (i) a risk distributing arrangement providing for compensation or replacement for
- 599 damages or loss through the provision of a service or a benefit in kind;
- 600 (ii) a contract of guaranty or suretyship entered into by the guarantor or surety as a
- 601 business and not as merely incidental to a business transaction; and
- 602 (iii) a plan in which the risk does not rest upon the person who makes an arrangement,
- 603 but with a class of persons who have agreed to share the risk.
- 604 [~~(94)~~] (95) "Insurance adjuster" means a person who directs or conducts the
- 605 investigation, negotiation, or settlement of a claim under an insurance policy other than life
- 606 insurance or an annuity, on behalf of an insurer, policyholder, or a claimant under an insurance
- 607 policy.
- 608 [~~(95)~~] (96) "Insurance business" or "business of insurance" includes:
- 609 (a) providing health care insurance by an organization that is or is required to be
- 610 licensed under this title;
- 611 (b) providing a benefit to an employee in the event of a contingency not within the
- 612 control of the employee, in which the employee is entitled to the benefit as a right, which
- 613 benefit may be provided either:
- 614 (i) by a single employer or by multiple employer groups; or
- 615 (ii) through one or more trusts, associations, or other entities;
- 616 (c) providing an annuity:

- 617 (i) including an annuity issued in return for a gift; and  
 618 (ii) except an annuity provided by a person specified in Subsections 31A-22-1305(2)  
 619 and (3);
- 620 (d) providing the characteristic services of a motor club;  
 621 (e) providing another person with insurance;  
 622 (f) making as insurer, guarantor, or surety, or proposing to make as insurer, guarantor,  
 623 or surety, a contract or policy offering title insurance;
- 624 (g) transacting or proposing to transact any phase of title insurance, including:  
 625 (i) solicitation;  
 626 (ii) negotiation preliminary to execution;  
 627 (iii) execution of a contract of title insurance;  
 628 (iv) insuring; and  
 629 (v) transacting matters subsequent to the execution of the contract and arising out of  
 630 the contract, including reinsurance;
- 631 (h) transacting or proposing a life settlement; and  
 632 (i) doing, or proposing to do, any business in substance equivalent to Subsections  
 633 ~~[(95)(a)]~~ (96)(a) through (h) in a manner designed to evade this title.
- 634 ~~[(96)]~~ (97) "Insurance consultant" or "consultant" means a person who:  
 635 (a) advises another person about insurance needs and coverages;  
 636 (b) is compensated by the person advised on a basis not directly related to the insurance  
 637 placed; and  
 638 (c) except as provided in Section 31A-23a-501, is not compensated directly or  
 639 indirectly by an insurer or producer for advice given.
- 640 ~~[(97)]~~ (98) "Insurance group" means the persons that comprise an insurance holding  
 641 company system.
- 642 ~~[(98)]~~ (99) "Insurance holding company system" means a group of two or more  
 643 affiliated persons, at least one of whom is an insurer.
- 644 ~~[(99)]~~ (100) (a) "Insurance producer" or "producer" means a person licensed or  
 645 required to be licensed under the laws of this state to sell, solicit, or negotiate insurance.  
 646 (b) (i) "Producer for the insurer" means a producer who is compensated directly or  
 647 indirectly by an insurer for selling, soliciting, or negotiating an insurance product of that

648 insurer.

649 (ii) "Producer for the insurer" may be referred to as an "agent."

650 (c) (i) "Producer for the insured" means a producer who:

651 (A) is compensated directly and only by an insurance customer or an insured; and

652 (B) receives no compensation directly or indirectly from an insurer for selling,

653 soliciting, or negotiating an insurance product of that insurer to an insurance customer or

654 insured.

655 (ii) "Producer for the insured" may be referred to as a "broker."

656 ~~[(100)]~~ (101) (a) "Insured" means a person to whom or for whose benefit an insurer  
657 makes a promise in an insurance policy and includes:

658 (i) a policyholder;

659 (ii) a subscriber;

660 (iii) a member; and

661 (iv) a beneficiary.

662 (b) The definition in Subsection ~~[(100)(a)]~~ (101)(a):

663 (i) applies only to this title;

664 (ii) does not define the meaning of "insured" as used in an insurance policy or  
665 certificate; and

666 (iii) includes an enrollee.

667 ~~[(101)]~~ (102) (a) "Insurer," "carrier," "insurance carrier," or "insurance company"

668 means a person doing an insurance business as a principal including:

669 (i) a fraternal benefit society;

670 (ii) an issuer of a gift annuity other than an annuity specified in Subsections

671 [31A-22-1305\(2\)](#) and (3);

672 (iii) a motor club;

673 (iv) an employee welfare plan;

674 (v) a person purporting or intending to do an insurance business as a principal on that  
675 person's own account; and

676 (vi) a health maintenance organization.

677 (b) "Insurer," "carrier," "insurance carrier," or "insurance company" does not include a  
678 governmental entity.

679           ~~[(102)]~~ (103) "Interinsurance exchange" means the same as that term is defined in  
680 Subsection ~~[(163)]~~ (164).

681           ~~[(103)]~~ (104) "Internationally active insurance group" means an insurance holding  
682 company system:

683           (a) that includes an insurer registered under Section [31A-16-105](#);

684           (b) that has premiums written in at least three countries;

685           (c) whose percentage of gross premiums written outside the United States is at least  
686 10% of its total gross written premiums; and

687           (d) that, based on a three-year rolling average, has:

688           (i) total assets of at least \$50,000,000,000; or

689           (ii) total gross written premiums of at least \$10,000,000,000.

690           ~~[(104)]~~ (105) "Involuntary unemployment insurance" means insurance:

691           (a) offered in connection with an extension of credit; and

692           (b) that provides indemnity if the debtor is involuntarily unemployed for payments  
693 coming due on a:

694           (i) specific loan; or

695           (ii) credit transaction.

696           ~~[(105)]~~ (106) "Large employer," in connection with a health benefit plan, means an  
697 employer who, with respect to a calendar year and to a plan year:

698           (a) employed an average of at least 51 employees on business days during the  
699 preceding calendar year; and

700           (b) employs at least one employee on the first day of the plan year.

701           ~~[(106)]~~ (107) "Late enrollee," with respect to an employer health benefit plan, means  
702 an individual whose enrollment is a late enrollment.

703           ~~[(107)]~~ (108) "Late enrollment," with respect to an employer health benefit plan, means  
704 enrollment of an individual other than:

705           (a) on the earliest date on which coverage can become effective for the individual  
706 under the terms of the plan; or

707           (b) through special enrollment.

708           ~~[(108)]~~ (109) (a) Except for a retainer contract or legal assistance described in Section  
709 [31A-1-103](#), "legal expense insurance" means insurance written to indemnify or pay for a

710 specified legal expense.

711 (b) "Legal expense insurance" includes an arrangement that creates a reasonable  
712 expectation of an enforceable right.

713 (c) "Legal expense insurance" does not include the provision of, or reimbursement for,  
714 legal services incidental to other insurance coverage.

715 ~~[(109)]~~ (110) (a) "Liability insurance" means insurance against liability:

716 (i) for death, injury, or disability of a human being, or for damage to property,  
717 exclusive of the coverages under:

718 (A) medical malpractice insurance;

719 (B) professional liability insurance; and

720 (C) workers' compensation insurance;

721 (ii) for a medical, hospital, surgical, and funeral benefit to a person other than the  
722 insured who is injured, irrespective of legal liability of the insured, when issued with or  
723 supplemental to insurance against legal liability for the death, injury, or disability of a human  
724 being, exclusive of the coverages under:

725 (A) medical malpractice insurance;

726 (B) professional liability insurance; and

727 (C) workers' compensation insurance;

728 (iii) for loss or damage to property resulting from an accident to or explosion of a  
729 boiler, pipe, pressure container, machinery, or apparatus;

730 (iv) for loss or damage to property caused by:

731 (A) the breakage or leakage of a sprinkler, water pipe, or water container; or

732 (B) water entering through a leak or opening in a building; or

733 (v) for other loss or damage properly the subject of insurance not within another kind  
734 of insurance as defined in this chapter, if the insurance is not contrary to law or public policy.

735 (b) "Liability insurance" includes:

736 (i) vehicle liability insurance;

737 (ii) residential dwelling liability insurance; and

738 (iii) making inspection of, and issuing a certificate of inspection upon, an elevator,  
739 boiler, machinery, or apparatus of any kind when done in connection with insurance on the  
740 elevator, boiler, machinery, or apparatus.

741            [~~(110)~~] (111) (a) "License" means authorization issued by the commissioner to engage  
742 in an activity that is part of or related to the insurance business.

743            (b) "License" includes a certificate of authority issued to an insurer.

744            [~~(111)~~] (112) (a) "Life insurance" means:

745            (i) insurance on a human life; and

746            (ii) insurance pertaining to or connected with human life.

747            (b) The business of life insurance includes:

748            (i) granting a death benefit;

749            (ii) granting an annuity benefit;

750            (iii) granting an endowment benefit;

751            (iv) granting an additional benefit in the event of death by accident;

752            (v) granting an additional benefit to safeguard the policy against lapse; and

753            (vi) providing an optional method of settlement of proceeds.

754            [~~(112)~~] (113) "Limited license" means a license that:

755            (a) is issued for a specific product of insurance; and

756            (b) limits an individual or agency to transact only for that product or insurance.

757            [~~(113)~~] (114) "Limited line credit insurance" includes the following forms of  
758 insurance:

759            (a) credit life;

760            (b) credit accident and health;

761            (c) credit property;

762            (d) credit unemployment;

763            (e) involuntary unemployment;

764            (f) mortgage life;

765            (g) mortgage guaranty;

766            (h) mortgage accident and health;

767            (i) guaranteed automobile protection; and

768            (j) another form of insurance offered in connection with an extension of credit that:

769            (i) is limited to partially or wholly extinguishing the credit obligation; and

770            (ii) the commissioner determines by rule should be designated as a form of limited line  
771 credit insurance.

772            [~~(114)~~] (115) "Limited line credit insurance producer" means a person who sells,  
773 solicits, or negotiates one or more forms of limited line credit insurance coverage to an  
774 individual through a master, corporate, group, or individual policy.

775            [~~(115)~~] (116) "Limited line insurance" includes:

- 776            (a) bail bond;
- 777            (b) limited line credit insurance;
- 778            (c) legal expense insurance;
- 779            (d) motor club insurance;
- 780            (e) car rental related insurance;
- 781            (f) travel insurance;
- 782            (g) crop insurance;
- 783            (h) self-service storage insurance;
- 784            (i) guaranteed asset protection waiver;
- 785            (j) portable electronics insurance; and
- 786            (k) another form of limited insurance that the commissioner determines by rule should  
787 be designated a form of limited line insurance.

788            [~~(116)~~] (117) "Limited lines authority" includes the lines of insurance listed in  
789 Subsection [~~(115)~~] (116).

790            [~~(117)~~] (118) "Limited lines producer" means a person who sells, solicits, or negotiates  
791 limited lines insurance.

792            [~~(118)~~] (119) (a) "Long-term care insurance" means an insurance policy or rider  
793 advertised, marketed, offered, or designated to provide coverage:

- 794            (i) in a setting other than an acute care unit of a hospital;
- 795            (ii) for not less than 12 consecutive months for a covered person on the basis of:
  - 796            (A) expenses incurred;
  - 797            (B) indemnity;
  - 798            (C) prepayment; or
  - 799            (D) another method;
- 800            (iii) for one or more necessary or medically necessary services that are:
  - 801            (A) diagnostic;
  - 802            (B) preventative;

- 803 (C) therapeutic;
- 804 (D) rehabilitative;
- 805 (E) maintenance; or
- 806 (F) personal care; and
- 807 (iv) that may be issued by:
- 808 (A) an insurer;
- 809 (B) a fraternal benefit society;
- 810 (C) (I) a nonprofit health hospital; and
- 811 (II) a medical service corporation;
- 812 (D) a prepaid health plan;
- 813 (E) a health maintenance organization; or
- 814 (F) an entity similar to the entities described in Subsections [~~(118)(a)(iv)(A)]~~
- 815 (119)(a)(iv)(A) through (E) to the extent that the entity is otherwise authorized to issue life or
- 816 health care insurance.
- 817 (b) "Long-term care insurance" includes:
- 818 (i) any of the following that provide directly or supplement long-term care insurance:
- 819 (A) a group or individual annuity or rider; or
- 820 (B) a life insurance policy or rider;
- 821 (ii) a policy or rider that provides for payment of benefits on the basis of:
- 822 (A) cognitive impairment; or
- 823 (B) functional capacity; or
- 824 (iii) a qualified long-term care insurance contract.
- 825 (c) "Long-term care insurance" does not include:
- 826 (i) a policy that is offered primarily to provide basic Medicare supplement coverage;
- 827 (ii) basic hospital expense coverage;
- 828 (iii) basic medical/surgical expense coverage;
- 829 (iv) hospital confinement indemnity coverage;
- 830 (v) major medical expense coverage;
- 831 (vi) income replacement or related asset-protection coverage;
- 832 (vii) accident only coverage;
- 833 (viii) coverage for a specified:

- 834 (A) disease; or  
835 (B) accident;  
836 (ix) limited benefit health coverage;  
837 (x) a life insurance policy that accelerates the death benefit to provide the option of a  
838 lump sum payment:  
839 (A) if the following are not conditioned on the receipt of long-term care:  
840 (I) benefits; or  
841 (II) eligibility; and  
842 (B) the coverage is for one or more the following qualifying events:  
843 (I) terminal illness;  
844 (II) medical conditions requiring extraordinary medical intervention; or  
845 (III) permanent institutional confinement; or  
846 (xi) limited long-term care as defined in Section [31A-22-2002](#).  
847 [~~(119)~~] (120) "Managed care organization" means a person:  
848 (a) licensed as a health maintenance organization under Chapter 8, Health Maintenance  
849 Organizations and Limited Health Plans; or  
850 (b) (i) licensed under:  
851 (A) Chapter 5, Domestic Stock and Mutual Insurance Corporations;  
852 (B) Chapter 7, Nonprofit Health Service Insurance Corporations; or  
853 (C) Chapter 14, Foreign Insurers; and  
854 (ii) that requires an enrollee to use, or offers incentives, including financial incentives,  
855 for an enrollee to use, network providers.  
856 [~~(120)~~] (121) "Medical malpractice insurance" means insurance against legal liability  
857 incident to the practice and provision of a medical service other than the practice and provision  
858 of a dental service.  
859 [~~(121)~~] (122) "Member" means a person having membership rights in an insurance  
860 corporation.  
861 [~~(122)~~] (123) "Minimum capital" or "minimum required capital" means the capital that  
862 must be constantly maintained by a stock insurance corporation as required by statute.  
863 [~~(123)~~] (124) "Mortgage accident and health insurance" means insurance offered in  
864 connection with an extension of credit that provides indemnity for payments coming due on a

865 mortgage while the debtor has a disability.

866 ~~[(124)]~~ (125) "Mortgage guaranty insurance" means surety insurance under which a  
867 mortgagee or other creditor is indemnified against losses caused by the default of a debtor.

868 ~~[(125)]~~ (126) "Mortgage life insurance" means insurance on the life of a debtor in  
869 connection with an extension of credit that pays if the debtor dies.

870 ~~[(126)]~~ (127) "Motor club" means a person:

871 (a) licensed under:

872 (i) Chapter 5, Domestic Stock and Mutual Insurance Corporations;

873 (ii) Chapter 11, Motor Clubs; or

874 (iii) Chapter 14, Foreign Insurers; and

875 (b) that promises for an advance consideration to provide for a stated period of time  
876 one or more:

877 (i) legal services under Subsection 31A-11-102(1)(b);

878 (ii) bail services under Subsection 31A-11-102(1)(c); or

879 (iii) (A) trip reimbursement;

880 (B) towing services;

881 (C) emergency road services;

882 (D) stolen automobile services;

883 (E) a combination of the services listed in Subsections (126)(b)(iii)(A) through (D); or

884 (F) other services given in Subsections 31A-11-102(1)(b) through (f).

885 ~~[(127)]~~ (128) "Mutual" means a mutual insurance corporation.

886 ~~[(128)]~~ (129) "NAIC" means the National Association of Insurance Commissioners.

887 ~~[(129)]~~ (130) "NAIC liquidity stress test framework" means a NAIC publication that  
888 includes:

889 (a) a history of the NAIC's development of regulatory liquidity stress testing;

890 (b) the scope criteria applicable for a specific data year; and

891 (c) the liquidity stress test instructions and reporting templates for a specific data year,  
892 as adopted by the NAIC and as amended by the NAIC in accordance with NAIC procedures.

893 ~~[(130)]~~ (131) "Network plan" means health care insurance:

894 (a) that is issued by an insurer; and

895 (b) under which the financing and delivery of medical care is provided, in whole or in

896 part, through a defined set of providers under contract with the insurer, including the financing  
897 and delivery of an item paid for as medical care.

898 ~~[(131)]~~ (132) "Network provider" means a health care provider who has an agreement  
899 with a managed care organization to provide health care services to an enrollee with an  
900 expectation of receiving payment, other than coinsurance, copayments, or deductibles, directly  
901 from the managed care organization.

902 ~~[(132)]~~ (133) "Nonparticipating" means a plan of insurance under which the insured is  
903 not entitled to receive a dividend representing a share of the surplus of the insurer.

904 ~~[(133)]~~ (134) "Ocean marine insurance" means insurance against loss of or damage to:

905 (a) ships or hulls of ships;

906 (b) goods, freight, cargoes, merchandise, effects, disbursements, profits, money,  
907 securities, choses in action, evidences of debt, valuable papers, bottomry, respondentia

908 interests, or other cargoes in or awaiting transit over the oceans or inland waterways;

909 (c) earnings such as freight, passage money, commissions, or profits derived from  
910 transporting goods or people upon or across the oceans or inland waterways; or

911 (d) a vessel owner or operator as a result of liability to employees, passengers, bailors,  
912 owners of other vessels, owners of fixed objects, customs or other authorities, or other persons  
913 in connection with maritime activity.

914 ~~[(134)]~~ (135) "Order" means an order of the commissioner.

915 ~~[(135)]~~ (136) "ORSA guidance manual" means the current version of the Own Risk  
916 and Solvency Assessment Guidance Manual developed and adopted by the National  
917 Association of Insurance Commissioners and as amended from time to time.

918 ~~[(136)]~~ (137) "ORSA summary report" means a confidential high-level summary of an  
919 insurer or insurance group's own risk and solvency assessment.

920 ~~[(137)]~~ (138) "Outline of coverage" means a summary that explains an accident and  
921 health insurance policy.

922 ~~[(138)]~~ (139) "Own risk and solvency assessment" means an insurer or insurance  
923 group's confidential internal assessment:

924 (a) (i) of each material and relevant risk associated with the insurer or insurance group;

925 (ii) of the insurer or insurance group's current business plan to support each risk

926 described in Subsection ~~[(138)(a)(i);]~~ (139)(a)(i); and

927 (iii) of the sufficiency of capital resources to support each risk described in Subsection  
 928 ~~[(138)(a)(i)]~~ (139)(a)(i); and

929 (b) that is appropriate to the nature, scale, and complexity of an insurer or insurance  
 930 group.

931 ~~[(139)]~~ (140) "Participating" means a plan of insurance under which the insured is  
 932 entitled to receive a dividend representing a share of the surplus of the insurer.

933 ~~[(140)]~~ (141) "Participation," as used in a health benefit plan, means a requirement  
 934 relating to the minimum percentage of eligible employees that must be enrolled in relation to  
 935 the total number of eligible employees of an employer reduced by each eligible employee who  
 936 voluntarily declines coverage under the plan because the employee:

937 (a) has other group health care insurance coverage; or

938 (b) receives:

939 (i) Medicare, under the Health Insurance for the Aged Act, Title XVIII of the Social  
 940 Security Amendments of 1965; or

941 (ii) another government health benefit.

942 ~~[(141)]~~ (142) "Person" includes:

943 (a) an individual;

944 (b) a partnership;

945 (c) a corporation;

946 (d) an incorporated or unincorporated association;

947 (e) a joint stock company;

948 (f) a trust;

949 (g) a limited liability company;

950 (h) a reciprocal;

951 (i) a syndicate; or

952 (j) another similar entity or combination of entities acting in concert.

953 ~~[(142)]~~ (143) "Personal lines insurance" means property and casualty insurance  
 954 coverage sold for primarily noncommercial purposes to:

955 (a) an individual; or

956 (b) a family.

957 ~~[(143)]~~ (144) "Plan sponsor" means the same as that term is defined in 29 U.S.C. Sec.

958 1002(16)(B).

959 [~~(144)~~] (145) "Plan year" means:

960 (a) the year that is designated as the plan year in:

961 (i) the plan document of a group health plan; or

962 (ii) a summary plan description of a group health plan;

963 (b) if the plan document or summary plan description does not designate a plan year or

964 there is no plan document or summary plan description:

965 (i) the year used to determine deductibles or limits;

966 (ii) the policy year, if the plan does not impose deductibles or limits on a yearly basis;

967 or

968 (iii) the employer's taxable year if:

969 (A) the plan does not impose deductibles or limits on a yearly basis; and

970 (B) (I) the plan is not insured; or

971 (II) the insurance policy is not renewed on an annual basis; or

972 (c) in a case not described in Subsection [~~(144)(a)~~] (145)(a) or (b), the calendar year.

973 [~~(145)~~] (146) (a) "Policy" means a document, including an attached endorsement or

974 application that:

975 (i) purports to be an enforceable contract; and

976 (ii) memorializes in writing some or all of the terms of an insurance contract.

977 (b) "Policy" includes a service contract issued by:

978 (i) a motor club under Chapter 11, Motor Clubs;

979 (ii) a service contract provided under Chapter 6a, Service Contracts; and

980 (iii) a corporation licensed under:

981 (A) Chapter 7, Nonprofit Health Service Insurance Corporations; or

982 (B) Chapter 8, Health Maintenance Organizations and Limited Health Plans.

983 (c) "Policy" does not include:

984 (i) a certificate under a group insurance contract; or

985 (ii) a document that does not purport to have legal effect.

986 [~~(146)~~] (147) "Policyholder" means a person who controls a policy, binder, or oral

987 contract by ownership, premium payment, or otherwise.

988 [~~(147)~~] (148) "Policy illustration" means a presentation or depiction that includes

989 nonguaranteed elements of a policy offering life insurance over a period of years.

990 ~~[(148)]~~ (149) "Policy summary" means a synopsis describing the elements of a life  
991 insurance policy.

992 ~~[(149)]~~ (150) "PPACA" means the Patient Protection and Affordable Care Act, Pub. L.  
993 No. 111-148 and the Health Care Education Reconciliation Act of 2010, Pub. L. No. 111-152,  
994 and related federal regulations and guidance.

995 ~~[(150)]~~ (151) "Preexisting condition," with respect to health care insurance:

996 (a) means a condition that was present before the effective date of coverage, whether or  
997 not medical advice, diagnosis, care, or treatment was recommended or received before that day,  
998 and

999 (b) does not include a condition indicated by genetic information unless an actual  
1000 diagnosis of the condition by a physician has been made.

1001 ~~[(151)]~~ (152) (a) "Premium" means the monetary consideration for an insurance policy.

1002 (b) "Premium" includes, however designated:

1003 (i) an assessment;

1004 (ii) a membership fee;

1005 (iii) a required contribution; or

1006 (iv) monetary consideration.

1007 (c) (i) "Premium" does not include consideration paid to a third party administrator for  
1008 the third party administrator's services.

1009 (ii) "Premium" includes an amount paid by a third party administrator to an insurer for  
1010 insurance on the risks administered by the third party administrator.

1011 ~~[(152)]~~ (153) "Principal officers" for a corporation means the officers designated under  
1012 Subsection [31A-5-203\(3\)](#).

1013 ~~[(153)]~~ (154) "Proceeding" includes an action or special statutory proceeding.

1014 ~~[(154)]~~ (155) "Professional liability insurance" means insurance against legal liability  
1015 incident to the practice of a profession and provision of a professional service.

1016 ~~[(155)]~~ (156) (a) "Property insurance" means insurance against loss or damage to real  
1017 or personal property of every kind and any interest in that property:

1018 (i) from all hazards or causes; and

1019 (ii) against loss consequential upon the loss or damage including vehicle

1020 comprehensive and vehicle physical damage coverages.

1021 (b) "Property insurance" does not include:

1022 (i) inland marine insurance; and

1023 (ii) ocean marine insurance.

1024 [~~156~~] (157) "Qualified long-term care insurance contract" or "federally tax qualified  
1025 long-term care insurance contract" means:

1026 (a) an individual or group insurance contract that meets the requirements of Section  
1027 7702B(b), Internal Revenue Code; or

1028 (b) the portion of a life insurance contract that provides long-term care insurance:

1029 (i) (A) by rider; or

1030 (B) as a part of the contract; and

1031 (ii) that satisfies the requirements of Sections 7702B(b) and (e), Internal Revenue  
1032 Code.

1033 [~~157~~] (158) "Qualified United States financial institution" means an institution that:

1034 (a) is:

1035 (i) organized under the laws of the United States or any state; or

1036 (ii) in the case of a United States office of a foreign banking organization, licensed  
1037 under the laws of the United States or any state;

1038 (b) is regulated, supervised, and examined by a United States federal or state authority  
1039 having regulatory authority over a bank or trust company; and

1040 (c) meets the standards of financial condition and standing that are considered  
1041 necessary and appropriate to regulate the quality of a financial institution whose letters of credit  
1042 will be acceptable to the commissioner as determined by:

1043 (i) the commissioner by rule; or

1044 (ii) the Securities Valuation Office of the National Association of Insurance

1045 Commissioners.

1046 [~~158~~] (159) (a) "Rate" means:

1047 (i) the cost of a given unit of insurance; or

1048 (ii) for property or casualty insurance, that cost of insurance per exposure unit either  
1049 expressed as:

1050 (A) a single number; or

1051 (B) a pure premium rate, adjusted before the application of individual risk variations  
1052 based on loss or expense considerations to account for the treatment of:

- 1053 (I) expenses;  
1054 (II) profit; and  
1055 (III) individual insurer variation in loss experience.

1056 (b) "Rate" does not include a minimum premium.

1057 [~~159~~] (160) (a) "Rate service organization" means a person who assists an insurer in  
1058 rate making or filing by:

- 1059 (i) collecting, compiling, and furnishing loss or expense statistics;  
1060 (ii) recommending, making, or filing rates or supplementary rate information; or  
1061 (iii) advising about rate questions, except as an attorney giving legal advice.

1062 (b) "Rate service organization" does not include:

- 1063 (i) an employee of an insurer;  
1064 (ii) a single insurer or group of insurers under common control;  
1065 (iii) a joint underwriting group; or  
1066 (iv) an individual serving as an actuarial or legal consultant.

1067 [~~160~~] (161) "Rating manual" means any of the following used to determine initial and  
1068 renewal policy premiums:

- 1069 (a) a manual of rates;  
1070 (b) a classification;  
1071 (c) a rate-related underwriting rule; and  
1072 (d) a rating formula that describes steps, policies, and procedures for determining  
1073 initial and renewal policy premiums.

1074 [~~161~~] (162) (a) "Rebate" means a licensee paying, allowing, giving, or offering to  
1075 pay, allow, or give, directly or indirectly:

- 1076 (i) a refund of premium or portion of premium;  
1077 (ii) a refund of commission or portion of commission;  
1078 (iii) a refund of all or a portion of a consultant fee; or  
1079 (iv) providing services or other benefits not specified in an insurance or annuity  
1080 contract.

1081 (b) "Rebate" does not include:

- 1082 (i) a refund due to termination or changes in coverage;
- 1083 (ii) a refund due to overcharges made in error by the licensee; or
- 1084 (iii) savings or wellness benefits as provided in the contract by the licensee.
- 1085 [~~(162)~~] (163) "Received by the department" means:
- 1086 (a) the date delivered to and stamped received by the department, if delivered in
- 1087 person;
- 1088 (b) the post mark date, if delivered by mail;
- 1089 (c) the delivery service's post mark or pickup date, if delivered by a delivery service;
- 1090 (d) the received date recorded on an item delivered, if delivered by:
- 1091 (i) facsimile;
- 1092 (ii) email; or
- 1093 (iii) another electronic method; or
- 1094 (e) a date specified in:
- 1095 (i) a statute;
- 1096 (ii) a rule; or
- 1097 (iii) an order.

1098 [~~(163)~~] (164) "Reciprocal" or "interinsurance exchange" means an unincorporated  
1099 association of persons:

- 1100 (a) operating through an attorney-in-fact common to all of the persons; and
- 1101 (b) exchanging insurance contracts with one another that provide insurance coverage
- 1102 on each other.

1103 [~~(164)~~] (165) "Reinsurance" means an insurance transaction where an insurer, for  
1104 consideration, transfers any portion of the risk it has assumed to another insurer. In referring to  
1105 reinsurance transactions, this title sometimes refers to:

- 1106 (a) the insurer transferring the risk as the "ceding insurer"; and
- 1107 (b) the insurer assuming the risk as the:
- 1108 (i) "assuming insurer"; or
- 1109 (ii) "assuming reinsurer."

1110 [~~(165)~~] (166) "Reinsurer" means a person licensed in this state as an insurer with the  
1111 authority to assume reinsurance.

1112 [~~(166)~~] (167) "Residential dwelling liability insurance" means insurance against

1113 liability resulting from or incident to the ownership, maintenance, or use of a residential  
1114 dwelling that is a detached single family residence or multifamily residence up to four units.

1115 ~~[(167)]~~ (168) (a) "Retrocession" means reinsurance with another insurer of a liability  
1116 assumed under a reinsurance contract.

1117 (b) A reinsurer "retrocedes" when the reinsurer reinsures with another insurer part of a  
1118 liability assumed under a reinsurance contract.

1119 ~~[(168)]~~ (169) "Rider" means an endorsement to:

1120 (a) an insurance policy; or

1121 (b) an insurance certificate.

1122 ~~[(169)]~~ (170) "Scope criteria" means the designated exposure bases and minimum  
1123 magnitudes for a specified data year that are used to establish a preliminary list of insurers  
1124 considered scoped into the NAIC liquidity stress test framework for that data year.

1125 ~~[(170)]~~ (171) "Secondary medical condition" means a complication related to an  
1126 exclusion from coverage in accident and health insurance.

1127 ~~[(171)]~~ (172) (a) "Security" means a:

1128 (i) note;

1129 (ii) stock;

1130 (iii) bond;

1131 (iv) debenture;

1132 (v) evidence of indebtedness;

1133 (vi) certificate of interest or participation in a profit-sharing agreement;

1134 (vii) collateral-trust certificate;

1135 (viii) preorganization certificate or subscription;

1136 (ix) transferable share;

1137 (x) investment contract;

1138 (xi) voting trust certificate;

1139 (xii) certificate of deposit for a security;

1140 (xiii) certificate of interest of participation in an oil, gas, or mining title or lease or in  
1141 payments out of production under such a title or lease;

1142 (xiv) commodity contract or commodity option;

1143 (xv) certificate of interest or participation in, temporary or interim certificate for,

1144 receipt for, guarantee of, or warrant or right to subscribe to or purchase any of the items listed  
1145 in Subsections [~~(171)(a)(i)~~] (172)(a)(i) through (xiv); or

1146 (xvi) another interest or instrument commonly known as a security.

1147 (b) "Security" does not include:

1148 (i) any of the following under which an insurance company promises to pay money in a  
1149 specific lump sum or periodically for life or some other specified period:

1150 (A) insurance;

1151 (B) an endowment policy; or

1152 (C) an annuity contract; or

1153 (ii) a burial certificate or burial contract.

1154 [~~(172)~~] (173) "Securityholder" means a specified person who owns a security of a  
1155 person, including:

1156 (a) common stock;

1157 (b) preferred stock;

1158 (c) debt obligations; and

1159 (d) any other security convertible into or evidencing the right of any of the items listed  
1160 in this Subsection [~~(172)~~] (173).

1161 [~~(173)~~] (174) (a) "Self-insurance" means an arrangement under which a person  
1162 provides for spreading the person's own risks by a systematic plan.

1163 (b) "Self-insurance" includes:

1164 (i) an arrangement under which a governmental entity undertakes to indemnify an  
1165 employee for liability arising out of the employee's employment; and

1166 (ii) an arrangement under which a person with a managed program of self-insurance  
1167 and risk management undertakes to indemnify the person's affiliate, subsidiary, director,  
1168 officer, or employee for liability or risk that arises out of the person's relationship with the  
1169 affiliate, subsidiary, director, officer, or employee.

1170 (c) "Self-insurance" does not include:

1171 (i) an arrangement under which a number of persons spread their risks among  
1172 themselves; or

1173 (ii) an arrangement with an independent contractor.

1174 [~~(174)~~] (175) "Sell" means to exchange a contract of insurance:

1175 (a) by any means;

1176 (b) for money or its equivalent; and

1177 (c) on behalf of an insurance company.

1178 [~~(175)~~] (176) "Short-term limited duration health insurance" means a health benefit  
1179 product that:

1180 (a) after taking into account any renewals or extensions, has a total duration of no more  
1181 than 36 months; and

1182 (b) has an expiration date specified in the contract that is less than 12 months after the  
1183 original effective date of coverage under the health benefit product.

1184 [~~(176)~~] (177) "Significant break in coverage" means a period of 63 consecutive days  
1185 during each of which an individual does not have creditable coverage.

1186 [~~(177)~~] (178) (a) "Small employer" means, in connection with a health benefit plan and  
1187 with respect to a calendar year and to a plan year, an employer who:

1188 (i) (A) employed at least one but not more than 50 eligible employees on business days  
1189 during the preceding calendar year; or

1190 (B) if the employer did not exist for the entirety of the preceding calendar year,  
1191 reasonably expects to employ an average of at least one but not more than 50 eligible  
1192 employees on business days during the current calendar year;

1193 (ii) employs at least one employee on the first day of the plan year; and

1194 (iii) for an employer who has common ownership with one or more other employers, is  
1195 treated as a single employer under 26 U.S.C. Sec. 414(b), (c), (m), or (o).

1196 (b) "Small employer" does not include an owner or a sole proprietor that does not  
1197 employ at least one employee.

1198 [~~(178)~~] (179) "Special enrollment period," in connection with a health benefit plan, has  
1199 the same meaning as provided in federal regulations adopted pursuant to the Health Insurance  
1200 Portability and Accountability Act.

1201 [~~(179)~~] (180) (a) "Subsidiary" of a person means an affiliate controlled by that person  
1202 either directly or indirectly through one or more affiliates or intermediaries.

1203 (b) "Wholly owned subsidiary" of a person is a subsidiary of which all of the voting  
1204 shares are owned by that person either alone or with its affiliates, except for the minimum  
1205 number of shares the law of the subsidiary's domicile requires to be owned by directors or

1206 others.

1207 ~~[(180)]~~ (181) Subject to Subsection ~~[(92)(b)]~~ (93)(b), "surety insurance" includes:

1208 (a) a guarantee against loss or damage resulting from the failure of a principal to pay or  
1209 perform the principal's obligations to a creditor or other obligee;

1210 (b) bail bond insurance; and

1211 (c) fidelity insurance.

1212 ~~[(181)]~~ (182) (a) "Surplus" means the excess of assets over the sum of paid-in capital  
1213 and liabilities.

1214 (b) (i) "Permanent surplus" means the surplus of an insurer or organization that is  
1215 designated by the insurer or organization as permanent.

1216 (ii) Sections 31A-5-211, 31A-7-201, 31A-8-209, 31A-9-209, and 31A-14-205 require  
1217 that insurers or organizations doing business in this state maintain specified minimum levels of  
1218 permanent surplus.

1219 (iii) Except for assessable mutuals, the minimum permanent surplus requirement is the  
1220 same as the minimum required capital requirement that applies to stock insurers.

1221 (c) "Excess surplus" means:

1222 (i) for a life insurer, accident and health insurer, health organization, or property and  
1223 casualty insurer as defined in Section 31A-17-601, the lesser of:

1224 (A) that amount of an insurer's or health organization's total adjusted capital that  
1225 exceeds the product of:

1226 (I) 2.5; and

1227 (II) the sum of the insurer's or health organization's minimum capital or permanent  
1228 surplus required under Section 31A-5-211, 31A-9-209, or 31A-14-205; or

1229 (B) that amount of an insurer's or health organization's total adjusted capital that  
1230 exceeds the product of:

1231 (I) 3.0; and

1232 (II) the authorized control level RBC as defined in Subsection 31A-17-601(8)(a); and

1233 (ii) for a monoline mortgage guaranty insurer, financial guaranty insurer, or title insurer  
1234 that amount of an insurer's paid-in-capital and surplus that exceeds the product of:

1235 (A) 1.5; and

1236 (B) the insurer's total adjusted capital required by Subsection 31A-17-609(1).

1237            [~~(182)~~] (183) "Third party administrator" or "administrator" means a person who  
1238 collects charges or premiums from, or who, for consideration, adjusts or settles claims of  
1239 residents of the state in connection with insurance coverage, annuities, or service insurance  
1240 coverage, except:

- 1241            (a) a union on behalf of its members;
- 1242            (b) a person administering a:
  - 1243            (i) pension plan subject to the federal Employee Retirement Income Security Act of  
1244 1974;
  - 1245            (ii) governmental plan as defined in Section 414(d), Internal Revenue Code; or
  - 1246            (iii) nonelecting church plan as described in Section 410(d), Internal Revenue Code;
- 1247            (c) an employer on behalf of the employer's employees or the employees of one or  
1248 more of the subsidiary or affiliated corporations of the employer;
- 1249            (d) an insurer licensed under the following, but only for a line of insurance for which  
1250 the insurer holds a license in this state:
  - 1251            (i) Chapter 5, Domestic Stock and Mutual Insurance Corporations;
  - 1252            (ii) Chapter 7, Nonprofit Health Service Insurance Corporations;
  - 1253            (iii) Chapter 8, Health Maintenance Organizations and Limited Health Plans;
  - 1254            (iv) Chapter 9, Insurance Fraternal; or
  - 1255            (v) Chapter 14, Foreign Insurers;
- 1256            (e) a person:
  - 1257            (i) licensed or exempt from licensing under:
    - 1258            (A) Chapter 23a, Insurance Marketing - Licensing Producers, Consultants, and  
1259 Reinsurance Intermediaries; or
    - 1260            (B) Chapter 26, Insurance Adjusters; and
  - 1261            (ii) whose activities are limited to those authorized under the license the person holds  
1262 or for which the person is exempt; or
- 1263            (f) an institution, bank, or financial institution:
  - 1264            (i) that is:
    - 1265            (A) an institution whose deposits and accounts are to any extent insured by a federal  
1266 deposit insurance agency, including the Federal Deposit Insurance Corporation or National  
1267 Credit Union Administration; or

1268 (B) a bank or other financial institution that is subject to supervision or examination by  
1269 a federal or state banking authority; and

1270 (ii) that does not adjust claims without a third party administrator license.

1271 ~~[(183)]~~ (184) "Title insurance" means the insuring, guaranteeing, or indemnifying of an  
1272 owner of real or personal property or the holder of liens or encumbrances on that property, or  
1273 others interested in the property against loss or damage suffered by reason of liens or  
1274 encumbrances upon, defects in, or the unmarketability of the title to the property, or invalidity  
1275 or unenforceability of any liens or encumbrances on the property.

1276 ~~[(184)]~~ (185) "Total adjusted capital" means the sum of an insurer's or health  
1277 organization's statutory capital and surplus as determined in accordance with:

1278 (a) the statutory accounting applicable to the annual financial statements required to be  
1279 filed under Section 31A-4-113; and

1280 (b) another item provided by the RBC instructions, as RBC instructions is defined in  
1281 Section 31A-17-601.

1282 ~~[(185)]~~ (186) (a) "Trustee" means "director" when referring to the board of directors of  
1283 a corporation.

1284 (b) "Trustee," when used in reference to an employee welfare fund, means an  
1285 individual, firm, association, organization, joint stock company, or corporation, whether acting  
1286 individually or jointly and whether designated by that name or any other, that is charged with  
1287 or has the overall management of an employee welfare fund.

1288 ~~[(186)]~~ (187) (a) "Unauthorized insurer," "unadmitted insurer," or "nonadmitted  
1289 insurer" means an insurer:

1290 (i) not holding a valid certificate of authority to do an insurance business in this state;

1291 or

1292 (ii) transacting business not authorized by a valid certificate.

1293 (b) "Admitted insurer" or "authorized insurer" means an insurer:

1294 (i) holding a valid certificate of authority to do an insurance business in this state; and

1295 (ii) transacting business as authorized by a valid certificate.

1296 ~~[(187)]~~ (188) "Underwrite" means the authority to accept or reject risk on behalf of the  
1297 insurer.

1298 ~~[(188)]~~ (189) "Vehicle liability insurance" means insurance against liability resulting

1299 from or incident to ownership, maintenance, or use of a land vehicle or aircraft, exclusive of a  
1300 vehicle comprehensive or vehicle physical damage coverage described in Subsection ~~[(155)]~~  
1301 (156).

1302 ~~[(189)]~~ (190) "Voting security" means a security with voting rights, and includes a  
1303 security convertible into a security with a voting right associated with the security.

1304 ~~[(190)]~~ (191) "Waiting period" for a health benefit plan means the period that must  
1305 pass before coverage for an individual, who is otherwise eligible to enroll under the terms of  
1306 the health benefit plan, can become effective.

1307 ~~[(191)]~~ (192) "Workers' compensation insurance" means:

1308 (a) insurance for indemnification of an employer against liability for compensation  
1309 based on:

1310 (i) a compensable accidental injury; and

1311 (ii) occupational disease disability;

1312 (b) employer's liability insurance incidental to workers' compensation insurance and  
1313 written in connection with workers' compensation insurance; and

1314 (c) insurance assuring to a person entitled to workers' compensation benefits the  
1315 compensation provided by law.

1316 Section 2. **Effective date.**

1317 This bill takes effect on May 1, 2024.