

NOTICE OF
PROPOSED RULE AMENDMENT

- The agency identified below in box 1 provides notice of proposed rule change pursuant to Utah Code Section 63G-3-301 and Subsection 53C-1-201(3)(c).
- Please address questions regarding information on this notice to the agency.
- The full text of all rule filings is published in the Utah State Bulletin unless excluded because of space constraints.
- The full text of all rule filings may also be inspected at the Office of Administrative Rules.

Agency Information

1. Agency: Insurance - Administration
 Room no.: 3110
 Building: STATE OFFICE BLDG
 Street address 1: 450 N MAIN ST
 Street address 2:
 City, state, zip: SALT LAKE CITY UT 84114-1201
 Mailing address 1: PO BOX 146901
 Mailing address 2:
 City, state, zip: SALT LAKE CITY UT 84114-6901

Contact person(s):

Name:	Phone:	Fax:	E-mail:
Steve Gooch	801-538-3803	801-538-3829	sgooch@utah.gov

(Interested persons may inspect this filing at the above address or at DAR during business hours)

Rule Information

DAR file no: 43485 Date filed: 01/18/2019 01:17 PM
 State Admin Rule Filing Key: 160922
 Utah Admin. Code ref. (R no.): R 590 - 102 - 21
 Changed to Admin. Code ref. (R no.): - -

Title

2. Title of rule or section (catchline):
 Dedicated Fees

Notice Type

3. Type of notice: Amendment

Rule Purpose

4. Purpose of the rule or reason for the change:
 The rule is being changed to incorporate a decrease in the fingerprinting fee charged to new individual resident licensees.

Response Information

5. This change is a response to comments by the Administrative Rules Review Committee.
No

Rule Summary

6. Summary of the rule or change:
The fee charged by the Bureau of Criminal Investigation (BCI) has decreased to \$15 (from \$20) and the fee charged by the Federal Bureau of Investigation (FBI) has increased to \$13.25 (from \$12). This represents a net \$3.75 decrease in the Department's fingerprinting fee for new individual resident licensees.

Aggregate Cost Information

7. Aggregate anticipated cost or savings to:
- A) State budget:
Affected: No
There is no anticipated cost or savings to the state budget. The funds collected through the BCI and FBI fees are pass-through monies that are collected by the Insurance Department and forwarded on to the respective bureaus.
- B) Local government:
Affected: No
There is no anticipated cost or savings for local governments. The fee is part of the licensing procedure for new individual resident licensees and does not involve local government.
- C) Small businesses:
Affected: Yes
("small business" means a business employing fewer than 50 persons)
If an individual is considered to be a small business when they are classified as a sole proprietorship, then there is a one-time cost to those small businesses. All new individual resident licensees are required to pay both the BCI and FBI fees as part of the process for obtaining an insurance license. The total one-time fee after this rule change will be reduced to \$28.25 (from the current fee of \$32).
- D) Persons other than small businesses, businesses, or local government entities:
Affected: Yes
("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an agency)
All new individual resident licensees are required to pay both the BCI and FBI fees as part of the process for obtaining an insurance license. The total one-time fee after this rule change will be reduced to \$28.25 (from the current fee of \$32).

Compliance Cost Information

8. Compliance costs for affected persons:
Affected persons will still be required to pay both the BCI and FBI fees as part of the insurance licensing process. However, after the rule is made effective, the cost of that fee will be decreased to \$28.25 (from the current fee of \$32).

Department Head Comments

9. A) Comments by the department head on the fiscal impact the rule may have on businesses:

I. WHETHER A FISCAL IMPACT TO BUSINESS IS EXPECTED AS A RESULT OF THE PROPOSED RULE AND, IF SO, A DESCRIPTION OF WHY: If an individual is considered to be a small business when they are are classified as a sole proprietorship, then there is a one-time cost to those small businesses. All new individual resident licensees are required to pay the fingerprint fee and be fingerprinted as part of the process for obtaining an insurance license. The total one-time fee after this rule change will be \$28.25. II. AN ESTIMATE OF THE TOTAL NUMBER OF BUSINESS ESTABLISHMENTS IN UTAH EXPECTED TO BE IMPACTED: This number varies from year to year because it depends on the number of resident individuals (sole proprietors) that choose to become licensed in Utah. Based on current growth trends, we expect a 4% year over year growth rate, which will result in an estimated 4,229 affected businesses in fiscal year 2019. III. AN ESTIMATE OF THE SMALL BUSINESS ESTABLISHMENTS IN UTAH EXPECTED TO BE IMPACTED: Impacted small businesses in Utah are individuals and sole proprietors. IV. A DESCRIPTION OF THE SOURCES OF COST OR SAVINGS AS WELL AS THE EXPECTED NET SAVINGS OR COST TO BUSINESS ESTABLISHMENTS AND SMALL BUSINESS ESTABLISHMENTS AS A RESULT OF THE PROPOSED RULE OVER A ONE-YEAR PERIOD, IDENTIFYING ONE-TIME AND ONGOING COSTS: The fingerprint fee charged by BCI and the FBI is decreasing by \$3.75 per new individual resident licensee. The fingerprint fee is a one-time cost that is only collected when individual residents first become licensed. In fiscal year 2019, the projected savings are estimated to be \$15,858.75 for the estimated 4,229 Utahns that will become licensed. V. DEPARTMENT HEAD'S COMMENTS ON THE ANALYSIS: The above analysis represents the Insurance Department's best estimate of the fiscal impact this rule amendment will have on businesses.

B) Name and title of department head commenting on the fiscal impacts:

Todd E. Kiser, Insurance Commissioner

Citation Information

10. This rule change is authorized or mandated by state law, and implements or interprets the following state and federal laws.

State code or constitution citations (required) (e.g., Section 63G-3-402; Subsection 63G-3-601(3); Article IV) :
31A-3-103

Incorporated Materials

11. This rule adds, updates, or removes the following title of materials incorporated by reference (a copy of materials incorporated by reference must be submitted to DAR; if none, leave blank) :

Official Title of Materials Incorporated (from title page):
Publisher:
Date Issued:
Issue, or version:
ISBN Number:
ISSN Number:
Cost of Incorporated Reference:
Adds, updates, removes:

Comments

12. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. The agency is required to hold a hearing if it receives requests from ten interested persons or from an association having not fewer than ten members. Additionally, the request must be received by the agency not more than 15 days after the publication of this rule in the Utah State Bulletin. See Section 63G-3-302 and Rule R15-1 for more information.)

A) Comments will be accepted until 5:00 p.m. on (mm/dd/yyyy) : 03/18/2019

B) A public hearing (optional) will be held:

On (mm/dd/yyyy): At (hh:mm AM/PM): At (place):

Proposed Effective Date

13. This rule change may become effective on (mm/dd/yyyy): 03/25/2019

NOTE: The date above is the date on which this rule MAY become effective. It is NOT the effective date. After a minimum of seven days following the date designated in Box 12(A) above, the agency must submit a Notice of Effective Date to the Office of Administrative Rules to make this rule effective. Failure to submit a Notice of Effective Date will result in this rule lapsing and will require the agency to start the rulemaking process over.

Indexing Information

14. Indexing information - keywords (maximum of four, in lower case, except for acronyms (e.g., "GRAMA") or proper nouns (e.g., "Medicaid")):
insurance fees

File Information

15. Attach an RTF document containing the text of this rule change (filename):
There is a document associated with this rule filing.

To the Agency

Information requested on this form is required by Sections 63G-3-301, 302, 303, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the Utah State Bulletin, and delaying the first possible effective date.

Agency Authorization

Agency head or designee, and title: Steve Gooch Information Specialist Date (mm/dd/yyyy): 01/18/2019