

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: 42395 Date filed: 12/15/2017 05:42 PM
 State Admin Rule Filing Key: 159714
 Utah Admin. Code ref. (R no.): R 590 - 102 -
 Changed to Admin. Code ref. (R no.): - -

Title

2. Title of rule or section (catchline):
 Insurance Department Fee Payment Rule.

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The rule is being changed to add a fee for guaranteed asset protection retailers and remove two fees that were repealed during the 2017 General Session. It also makes a number of minor corrections including dates, formatting, and references.

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 changes add an assessment the annual guaranteed asset protection retailer sellers per 31A-6b-201(2), removes the fee for the risk adjustment program that was repealed during the 2017 General Session, HB336, Health Reform Amendments, and removes the fee for a health insurance purchasing alliance that was repealed during the 2017 General Session, HB42, Insurance Related Modifications. It also corrects a reference for guaranteed asset protection providers (from a license fee to a registration fee); corrects the due date fee for "Other Organizations" from May 1 to March 1; clarifies the fee for alien surplus lines insurers; and makes formatting corrections.

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. No new fee has been added. The State did not enact a risk adjustment program, therefore no fees were ever collected. The Department has only received one application for a health insurance purchasing alliance that was licensed from 2008 to 2010. Assessments have previously collected for guaranteed asset protection retailer sellers pursuant to 31A-6b-201(2).

B) Local government:

Affected: No

There is no anticipated cost or savings to local government. The changes only apply to fees collected by the Utah Insurance Department from its licensees and will not impact local government.

C) Small businesses:

Affected: Yes

("small business" means a business employing fewer than 50 persons)

The annual assessment of \$50 for guaranteed asset protection retailer sellers applies to small businesses that act as a retail seller of guaranteed asset protection. It is and has been collected pursuant to 31A-6b-201(2).

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)

The annual assessment of \$50 for guaranteed asset protection retailer sellers applies to any business that acting as a retail seller of guaranteed asset protection. It is and has been collected pursuant to 31A-6b-201(2).

Compliance Cost Information

8. Compliance costs for affected persons:

The compliance cost for an affected person is an annual \$50 assessment for a guaranteed asset protection retailer seller.

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: There is a fiscal impact to guaranteed asset protection retailer sellers of up to \$50 per annum. This assessment is collected to cover the costs of regulating the industry. II. AN ESTIMATE OF THE TOTAL NUMBER OF BUSINESS ESTABLISHMENTS IN UTAH EXPECTED TO BE IMPACTED: During 2016 the Department collected assessments from 121 entities, and 125 entities in 2017. It is expected there will be an average of 3% growth per year. III. AN ESTIMATE OF THE SMALL BUSINESS ESTABLISHMENTS IN UTAH EXPECTED TO BE IMPACTED: The Department is unable to determine which of the 125 entities that paid the assessment in 2017 are small businesses. The Department estimates that 50% of the guaranteed asset protection retailer sellers are small businesses. 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: Businesses acting as a guaranteed asset protection retailer seller will have an annual assessment of \$50 as required by 31A-6b-201. V. DEPARTMENT HEAD'S COMMENTS ON THE ANALYSIS: This analysis represents the Department's best estimate of the maximum fiscal impact this rule amendment may 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) : Subsection 31A-3-103(3)

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) : 01/31/2018

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

On (mm/dd/yyyy): 01/18/2018 At (hh:mm AM/PM): 01:00 PM At (place): 3112 State Office Building, Salt Lake City, UT 84114

Proposed Effective Date

13. This rule change may become effective on (mm/dd/yyyy): 02/07/2018

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): 12/15/2017