

State of Utah
Administrative Rule Analysis
Revised June 2021

NOTICE OF PROPOSED RULE		
TYPE OF RULE: New ___; Amendment _x_; Repeal ___; Repeal and Reenact ___		
Title No. - Rule No. - Section No.		
Utah Admin. Code Ref (R no.):	R590-124	Filing ID (Office Use Only)
Changed to Admin. Code Ref. (R no.):	R	

Agency Information

1. Department:	Insurance	
Agency:	Administration	
Room no.:	Suite 2300	
Building:	Taylorsville State Office Building	
Street address:	4315 S. 2700 W.	
City, state and zip:	Taylorsville, UT 84129	
Mailing address:	PO Box 146901	
City, state and zip:	Salt Lake City, UT 84114-6901	
Contact person(s):		
Name:	Phone:	Email:
Steve Gooch	801-957-9322	sgooch@utah.gov
Please address questions regarding information on this notice to the agency.		

General Information

2. Rule or section catchline:
R590-124. Loss Information Rule
3. Purpose of the new rule or reason for the change (Why is the agency submitting this filing?):
The rule is being changed as a result of Executive Order 2021-12. During the review of this rule, the department discovered a number of minor issues that needed to be amended.
4. Summary of the new rule or change (What does this filing do? If this is a repeal and reenact, explain the substantive differences between the repealed rule and the reenacted rule):
The majority of the changes are being done to fix style issues to bring the rule text more in line with current rulewriting standards. Others are changes to make the language of the rule more clear, and the Severability section is being updated to use the department's current language. The changes do not add, remove, or change any regulations or requirements.

Fiscal Information

5. Provide an estimate and written explanation of the aggregate anticipated cost or savings to:
A) State budget:
There is no anticipated cost or savings to the state budget. The changes are largely clerical in nature, and will not change how the department functions.
B) Local governments:
There is no anticipated cost or savings to local governments. The changes are largely clerical in nature, and will not affect local governments.
C) Small businesses ("small business" means a business employing 1-49 persons):
There is no anticipated cost or savings to small businesses. The changes are largely clerical in nature, and will not affect small businesses.
D) Non-small businesses ("non-small business" means a business employing 50 or more persons):

There is no anticipated cost or savings to non-small businesses. The changes are largely clerical in nature, and will not affect non-small businesses.

E) Persons other than small businesses, non-small businesses, state, or local government entities ("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an **agency**):

There is no anticipated cost or savings to any other persons. The changes are largely clerical in nature.

F) Compliance costs for affected persons (How much will it cost an impacted entity to adhere to this rule or its changes?):

There are no compliance costs for any affected persons. The changes are largely clerical in nature.

G) Comments by the department head on the fiscal impact this rule may have on businesses (Include the name and title of the department head):

After conducting a thorough analysis, it was determined that this proposed rule amendment will not result in a fiscal impact to businesses. — Jonathan T. Pike, Insurance Commissioner

6. A) Regulatory Impact Summary Table (This table only includes fiscal impacts that could be measured. If there are inestimable fiscal impacts, they will not be included in this table. Inestimable impacts will be included in narratives above.)

Regulatory Impact Table

Fiscal Cost	FY2022	FY2023	FY2024
State Government	\$0	\$0	\$0
Local Governments	\$0	\$0	\$0
Small Businesses	\$0	\$0	\$0
Non-Small Businesses	\$0	\$0	\$0
Other Persons	\$0	\$0	\$0
Total Fiscal Cost	\$0	\$0	\$0
Fiscal Benefits			
State Government	\$0	\$0	\$0
Local Governments	\$0	\$0	\$0
Small Businesses	\$0	\$0	\$0
Non-Small Businesses	\$0	\$0	\$0
Other Persons	\$0	\$0	\$0
Total Fiscal Benefits	\$0	\$0	\$0
Net Fiscal Benefits	\$0	\$0	\$0

B) Department head approval of regulatory impact analysis:

The Commissioner of Insurance, Jonathan T. Pike, has reviewed and approved this fiscal analysis.

Citation Information

7. Provide citations to the statutory authority for the rule. If there is also a federal requirement for the rule, provide a citation to that requirement:

Section 31A-2-201	Section 31A-23a-402	

Incorporations by Reference Information

(If this rule incorporates more than two items by reference, please include additional tables.)

8. A) This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to the Office of Administrative Rules; *if none, leave blank*):

	First Incorporation
Official Title of Materials Incorporated (from title page)	
Publisher	
Date Issued	

Issue, or version	
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B) This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to the Office of Administrative Rules; *if none, leave blank*):

	Second Incorporation
Official Title of Materials Incorporated (from title page)	
Publisher	
Date Issued	
Issue, or version	

Public Notice Information

9. 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. See Section 63G-3-302 and Rule R15-1 for more information.)

A) Comments will be accepted until (mm/dd/yyyy): 10/15/2021

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

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

10. This rule change MAY become effective on (mm/dd/yyyy): 10/22/2021

NOTE: The date above is the date the agency anticipates making the rule or its changes effective. It is NOT the effective date. To make this rule effective, the agency must submit a Notice of Effective Date to the Office of Administrative Rules on or before the date designated in Box 10.

Agency Authorization Information

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 head or designee, and title:	Steve Gooch, Public Information Officer	Date (mm/dd/yyyy):	08/30/2021
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R590. Insurance, Administration.

R590-124. Loss Information Rule.

R590-124-1. Authority.

This rule is promulgated by the ~~[insurance-]commissioner~~ pursuant to ~~[the general authority granted under Subsection 31A-2-201(3) to adopt rules for the implementation of the Utah Insurance Code and under Subsection 31A-23a-402(8) authorizing the commissioner to define unfair methods of competition]~~ Sections 31A-2-201 and 31A-23a-402.

R590-124-2. Purpose and Scope.

(1) ~~[Accurate loss information is necessary in underwriting and rating insurance policies.]~~ The purpose of this rule is to provide for ~~[the-]prompt dissemination of loss information between an insurer[s] and [their-]an insured[s].~~

(2) ~~[This rule applies to every authorized property and liability insurer licensed to do business in Utah writing those lines of insurance commonly identified as commercial property and commercial liability, including workers' compensation but excluding disability, and including every recognized Surplus Line Company and the Workers' Compensation Fund of Utah]~~ This rule applies to an insurer licensed in this state to do the following business:

- (a) property and casualty;
- (b) commercial property and commercial liability;
- (c) workers' compensation; or
- (d) surplus lines.
- (3) This rule does not apply to disability insurance.

R590-124-3. Definitions.

~~[For the purpose of this rule, the commissioner adopts the definitions as particularly set forth in Section 31A-1-301 and in addition thereto, the following definitions]~~ Terms used in this rule are defined in Section 31A-1-301. Additional terms are defined as follows:

(1) ~~["Named Insured" shall mean the person(s) or organization(s) listed in the policy declarations as the policyholder, or the legal representative thereof.~~

~~(2) ["First [N]named [F]insured" shall] means the first entity named as a [N]named [F]insured in the declarations of the policy[;].~~

~~(3) "Loss" shall] means the dollar amount paid to an insured or claimant by an insurer on a claim made against an insurance contract[;].~~

~~(3) "Named insured" means a person or organization listed in the policy declarations as the policyholder, or the policyholder's legal representative.~~

(4) "Notice of [O]ccurrence" shall] means notice to an insurer of an occurrence~~[-, which-] that might result in a claim against an insurance contract.~~

R590-124-4. [Rule]Loss Information.

(1) ~~[All insurers issuing policies to which this rule applies.]~~ An insurer shall provide loss information to the first named insured within 30 days ~~[from] of~~ the receipt of a written request from the named insured.

(a) Loss information shall be provided for the three most recent policy years in which coverage was provided, or complete loss information if the policy has been in effect less than three years.

~~(b) [If an insurer initiates the cancellation or the nonrenewal of a policy it]~~ An insurer shall advise the first named insured of ~~[this]~~ the right to request the loss information ~~if the insurer initiates the cancellation or the nonrenewal of a policy.~~

(2) The following ~~[is the]~~ loss information ~~[that]~~ must be provided to comply with Subsection (1):

(a) ~~[F]~~ information on closed claims where payment was allowed, including date of occurrence, type of loss, and amount of payments;

(b) ~~[F]~~ information on all open claims, including date of occurrence, type of loss, and amount of payments, if any; and

(c) ~~[F]~~ information on notices of occurrence, including date of occurrence.

(3) The required loss information need only be provided one time in any ~~[twelve-]12-~~month period and shall be provided at no ~~[charge-]cost~~ to the insured.

(4) ~~[Loss-]A~~ loss information request[s] received more than three years after the termination of coverage ~~[need not be honored]~~ may be denied.

(5) The loss information required by this rule shall be provided in a format that is clear and understandable to the insured.

R590-124-5. [Penalties.

~~If a company fails to provide the information as required by this rule, such failure shall constitute an unfair trade practice as defined in Section 31A-26-303 and Rule R590-190 and shall be subject to the forfeiture and penalty provisions of Section 31A-2-308.~~

R590-124-6. Separability.

~~If any provision of this rule or the application thereof to any person or circumstance is for any reason held to be invalid, the remainder of the rule and the application of such provisions shall not be affected thereby.~~

R590-124-7. Effective Date.

~~This rule shall be effective July 14, 1988.]~~ Severability.

If any provision of this rule, Rule R590-124, or its application to any person or situation is held invalid, such invalidity does not affect any other provision or application of this rule that can be given effect without the invalid provision or application. The remainder of this rule shall be given effect without the invalid provision or application.

KEY: insurance companies

Date of Enactment or Last Substantive Amendment: 1988

Notice of Continuation: December 8, 2017

Authorizing, and Implemented or Interpreted Law: 31A-23a-402