

**State of Utah**  
**Administrative Rule Analysis**  
 Revised November 2021

NOTICE OF PROPOSED RULE		
<b>TYPE OF RULE:</b> New ___; Amendment ___; Repeal ___; Repeal and Reenact _x_		
<b>Title No. - Rule No. - Section No.</b>		
<b>Utah Admin. Code Ref (R no.):</b>	<b>R590-155</b>	<b>Filing ID (Office Use Only)</b>
<b>Changed to Admin. Code Ref. (R no.):</b>	<b>R</b>	

**Agency Information**

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

**General Information**

<b>2. Rule or section catchline:</b>
R590-155. Utah Life and Health Insurance Guaranty Association Summary Document
<b>3. Purpose of the new rule or reason for the change</b> (Why is the agency submitting this filing?):
The rule is being repealed and reenacted in compliance with Executive Order 2021-12. During the review of this rule, the department discovered a significant number of minor issues that needed to be amended, and determined that a repeal and replace was the proper method.
<b>4. Summary of the new rule or change</b> (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 If this is a repeal and reenact, explain the substantive differences between the repealed rule and the reenacted rule):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. Other changes make the language of the rule more clear, update the Severability section to use the department's current language, and remove the Penalties section because penalties are already provided for in statute. The changes do not add, remove, or change any regulations or requirements.

**Fiscal Information**

<b>5. Provide an estimate and written explanation of the aggregate anticipated cost or savings to:</b>
<b>A) State budget:</b>
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>B) Local governments:</b>
There is no anticipated cost or savings to local governments. The changes are largely clerical in nature, and will not affect local governments.
<b>C) Small businesses</b> ("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.
<b>D) Non-small businesses</b> ("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**

<b>Fiscal Cost</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>
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
<b>Total Fiscal Cost</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Fiscal Benefits</b>			
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
<b>Total Fiscal Benefits</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Fiscal Benefits</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**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-28-119	

**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*):

	<b>First Incorporation</b>
<b>Official Title of Materials Incorporated (from title page)</b>	
<b>Publisher</b>	
<b>Date Issued</b>	

<b>Issue, or version</b>	
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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*):

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

**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): 01/14/2022

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

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

**10. This rule change MAY become effective on** (mm/dd/yyyy): 01/21/2022

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.

<b>Agency head or designee, and title:</b>	Steve Gooch, Public Information Officer	<b>Date</b> (mm/dd/yyyy):	11/22/2021
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~~**[R590. Insurance, Administration.**~~

~~**R590-155. Utah Life and Health Insurance Guaranty Association Summary Document.**~~

~~**R590-155-1. Authority.**~~

~~\_\_\_\_\_ This rule is promulgated pursuant to:~~

~~\_\_\_\_\_ (1) Subsection 31A-2-201(3)(a), in which the commissioner is empowered to administer and enforce this title and to make rules to implement the provisions of this title; and~~

~~\_\_\_\_\_ (2) Subsection 31A-28-119(3), to provide guidelines for the Utah Life and Health Insurance Guaranty Association summary and disclaimer document.~~

~~**R590-155-2. Purpose and Scope.**~~

~~\_\_\_\_\_ (1) The purpose of this rule is to specify the form and content of the summary and disclaimer document for insurers to disclose to policy or contract holders the extent that contractual guarantees are not covered or have limited coverage by the Utah Life and Health Insurance Guaranty Association as required by Section 31A-28-119.~~

~~\_\_\_\_\_ (2) The rule shall apply to all insurance transactions in this state involving life and health insurance policies and annuity contracts as specified in Section 31A-28-103.~~

~~**R590-155-3. Rule.**~~

~~\_\_\_\_\_ (1) An insurer authorized to do business in this state, which is subject to the Utah Life and Health Insurance Guaranty Association Act, shall disclose to its policy or contract holders that its contractual guarantees may not be covered by the Utah Life and Health Insurance Guaranty Association.~~

~~\_\_\_\_\_ (2) For the purpose of this rule, the term "policy or contract holders" shall also mean insureds, subscribers, or certificate holders of~~

group policies.

~~(3) Disclosure shall be made in writing using the text in the Notice of Protection Provided by the Utah Life and Health Insurance Guaranty Association, which is available on the department website, <https://insurance.utah.gov>.~~

~~(4) Disclosure shall be given before or at the time of delivery of the policy, contract, or certificate. The summary and disclaimer document shall also be available upon request by a policy or contract holder.~~

~~(5) Each insurer shall file with the commissioner a copy of the summary and disclaimer document.~~

**R590-155-4. Penalties.**

~~A person found to be in violation of this rule shall be subject to penalties as provided under Section 31A-2-308.~~

**R590-155-5. Severability.**

~~If any provision of this rule or its application to any person or situation is held to be invalid, that invalidity shall not affect any other provision or application of this rule which can be given effect without the invalid provision or application, and to this end the provisions of this rule are declared to be severable.]~~

**R590. Insurance, Administration.**

**R590-155. Utah Life and Health Insurance Guaranty Association Summary Document.**

**R590-155-1. Authority.**

~~This rule is promulgated by the commissioner pursuant to Sections 31A-2-201 and 31A-28-119.~~

**R590-155-2. Purpose and Scope.**

~~(1) The purpose of this rule is to provide guidelines regarding the form and content of the Utah Life and Health Insurance Guaranty Association summary and disclosure document.~~

~~(2) This rule applies to a life insurance policy, a health insurance policy, and an annuity contract.~~

**R590-155-3. Definitions.**

~~Terms used in this rule are defined in Section 31A-1-301. Additional terms are defined as follows:~~

~~(1) "Contract holder" means the holder of an annuity contract.~~

**R590-155-4. Rule.**

~~(1) An insurer shall disclose to a policyholder and to a contract holder that the Utah Life and Health Guaranty Association may not cover the contractual guarantees in the policy or contract.~~

~~(2) The disclosure required in Subsection (1) shall be:~~

~~(a) in writing;~~

~~(b) given before or at the time a policy, contract, or certificate is delivered;~~

~~(c) available upon request by a policyholder, an enrollee, or a contract holder; and~~

~~(d) filed with the commissioner.~~

~~(3) The disclosure required in Subsection (1) shall use the text in the Utah Life and Health Insurance Guaranty Association's Notice of Protection, which is available on the department's website, <https://insurance.utah.gov>.~~

**R590-155-5. Severability.**

~~If any provision of this rule, Rule R590-155, 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**

**Date of Enactment or Last Substantive Amendment: June 7, 2019**

**Notice of Continuation: December 8, 2017**

**Authorizing, and Implemented or Interpreted Law: 31A-2-201; 31A-28-119**