

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: 43429 Date filed: 12/07/2018 04:28 PM  
 State Admin Rule Filing Key: 160860  
 Utah Admin. Code ref. (R no.): R 590 - 186 - 5  
 Changed to Admin. Code ref. (R no.): - -

Title

2. Title of rule or section (catchline):  
 Company License Renewal

Notice Type

3. Type of notice: Amendment

Rule Purpose

4. Purpose of the rule or reason for the change:  
 Utah Code 31A-35-404, Minimum financial requirements for bail bond agency license, was changed in 2016 to allow more flexibility in providing verification for each parcel of real property owned by the applicant and included in the net worth of the applicant.

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:  
This change clarifies what verification can be provided for each parcel of real property owned by the applicant and included in the agency's net worth calculation at the time of renewal.

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 change merely clarifies the types of real property verification that bail bond agencies may provide at the time of renewal.
- B) Local government:  
Affected: No  
There is no anticipated cost or savings to local government. The change merely clarifies the types of real property verification that bail bond agencies may provide at the time of renewal.
- C) Small businesses:  
Affected: Yes  
("small business" means a business employing fewer than 50 persons)  
Small businesses could see some savings or expense depending on which verification option they choose to provide. One option is significantly more expensive than the other two options, while another is significantly less expensive. The department anticipates that most companies will see savings because they will likely choose to provide the less expensive option.
- D) Persons other than small businesses, businesses, or local government entities:  
Affected: No  
("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 person. The change merely clarifies the types of real property verification that bail bond agencies may provide at the time of renewal.

Compliance Cost Information

8. Compliance costs for affected persons:  
Bail bond agencies are already required to provide real property verification for their annual license renewal. The change to this rule ultimately allows them to save money on that verification at their discretion.

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: All bail bond agencies are required to provide property verification for their annual license renewal. This rule change allows the agencies to choose which verification method they will provide, rather than requiring a specific method. Agencies could see some savings or expenses depending on which verification option they choose to provide. One option is significantly more expensive than the other two options, while another is significantly less expensive. The Department anticipates that most companies will see savings because they will likely choose to provide the less expensive option.

II. AN ESTIMATE OF THE TOTAL NUMBER OF BUSINESS ESTABLISHMENTS IN UTAH EXPECTED TO BE IMPACTED: There are 13 collaterally backed bail bond agencies in Utah that will be affected.

III. AN ESTIMATE OF THE SMALL BUSINESS ESTABLISHMENTS IN UTAH EXPECTED TO BE IMPACTED: All of those 13 collaterally backed bail bond agencies in Utah are small businesses and will be affected.

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 Insurance Department is not able to anticipate the expected net savings or costs to small businesses as a result of this rule change. The cost of the most expensive option — a certified appraisal — is negotiated between the small business and the appraiser and depends on several individual factors that the Department cannot know. The cost of the cheaper options — the title letter or report, or a current abstract of title from a county recorder — are similarly difficult to determine because they vary by county and provider. The Department expects that most affected small businesses will choose to use a cheaper option and will recognize ongoing savings.

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) :

Section 31A-35-104

Section 31A-35-401

Section 31A-35-406

Section 31A-35-301

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) : 01/31/2019

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): 02/07/2019

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

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): 12/07/2018