

Bulletin 2000-2

TO: All Domestic Insurers

FROM: Utah Insurance Department

RE: Written Consent for a Prohibited Person to Engage in the business of Insurance Under Title 18, United States Code, Sections 1033 and 1034

DATE: April 20, 2000

This Bulletin is to make all persons and entities engaged in, or contemplating being engaged in, the business of insurance aware of the referenced federal statute. It is a violation of this law for an individual who has been convicted of any felony involving dishonesty or breach of trust ("prohibited person") to willfully engage in the business of insurance if those activities affect interstate commerce. Further, under this statute it is a criminal offense for anyone to willfully permit a prohibited person to engage in the business of insurance.

This statute affects every person or entity involved in the business of insurance. Every prohibited person must obtain written consent from the Commissioner before that person may engage in the business of insurance. Prohibited persons have the responsibility of notifying the commissioner and making application for written consent. The written consent must specify that it is granted for the purpose of Title 18, U.S. Code, section 1033. Entities have the responsibility of notifying the Commissioner of any affected employees. There is no grandfather provision for those persons affected by this statute. This includes new applicants as well as everyone who is currently employed or licensed in the business of insurance.

Upon request, the Commissioner will furnish the prohibited person with the application to initiate the process of seeking written consent. Submission of the requested documents does not guarantee that a person will be granted a written consent. The purpose of the application is to allow the applicant to demonstrate that participation in the business of insurance will not constitute undue risk to consumers or insurers. The burden is upon the applicant to establish that written consent is warranted. Decisions on written consent will be made on a case by case basis and the Commissioner will grant consent if appropriate.

All affected persons or entities are encouraged to thoroughly review this statute and to take steps to insure their compliance. Inquiries concerning this matter should be directed to the Examination Division.

Stewart

Merwin U.

Insurance

Commissioner

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