



State of Utah

GARY R. HERBERT  
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Lieutenant Governor

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Commissioner

# Insurance Department

## Bulletin 2013-3

**TO:** All Vehicle Dealerships  
**FROM:** Todd E. Kiser, Utah Insurance Commissioner  
**DATE:** March 8, 2013  
**SUBJECT:** Individual and Dealership Requirement of Limited Line Licenses for Optional Vehicle Related Insurance Products

The Utah Insurance Department (Department) has received complaints that relate to vehicle dealerships. The complaints concern licensure of individuals and/or dealerships, use of pressure tactics, tying of various insurance products to the sale or lease of a vehicle, and the use of unfiled insurance products. All are a violation of the Utah Insurance Code.

Utah Code Annotated (U.C.A.) [31A-23a-103](#) states that a person may not perform, offer to perform, or advertise insurance products as a limited lines producer without a valid individual and agency license. In addition to the sales and leasing of vehicles, dealerships offer a variety of optional products in conjunction with the sale of the vehicle. Many of the products offered at the time of the vehicle purchase or lease are considered insurance products or contain an insurance component. These are regulated by the Department.

Based upon the product offered, a dealership, as well as their finance person, may be required to be licensed with the Department before offering these products. There must be an insurance licensed individual involved with every sale of an insurance product sold by the dealership. The following products **require an insurance limited lines license with the credit line of authority** for both the dealership and the finance person before they can be offered:

Credit Line of Authority Products	Dealership (Agency License)	Finance Personnel (Individual License)
GAP	Yes	Yes
Credit life	Yes	Yes
Credit Disability	Yes	Yes
Credit Involuntary Unemployment Coverage	Yes	Yes

**NOTE:** A limited lines license is *not* required to sell Service Contracts.

A limited lines license with a Motor Club line of authority is required before a Motor Club Benefit is offered.

While this is not an all-inclusive list of possible insurance products being offered at the time of a vehicle purchase, we remind dealers that they must comply with the license requirements of

U.C.A. [31A-23a-103](#). It is also the responsibility of the dealership to verify that companies or vendors of insurance products are licensed with the Department. To do this, go to the Department's website <https://insurance.utah.gov/> and click on "Look up a company, agency, or individual agent."

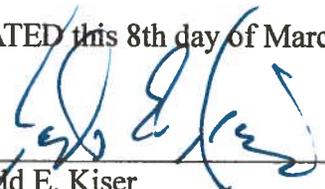
It is also the dealership's responsibility to verify insurance products they offer are filed with the Department. Questions related to filed forms can be directed to [prop-cas.uid@utah.gov](mailto:prop-cas.uid@utah.gov).

To learn about the licensing process go to the Department's website at <https://insurance.utah.gov/agent/producers/exam/index.php>.

When you are ready to apply for the agency license and the limited lines license, go to [https://www.sircon.com/ComplianceExpress/LicenseApplications/index.jsp?1=0&lid=lp\\_utah0&sc=aalwhncj&sscrbid=9007&path=utah](https://www.sircon.com/ComplianceExpress/LicenseApplications/index.jsp?1=0&lid=lp_utah0&sc=aalwhncj&sscrbid=9007&path=utah). If you have any questions about the licensing contact the Department's Producer Licensing Division at 801-538-3855 or [licensing.uid@utah.gov](mailto:licensing.uid@utah.gov).

The Department will continue to respond to and investigate complaints. In the near future the Department will visit dealerships throughout the State to verify licenses, insurance products being sold and sales practices. If you have any questions related to this Bulletin, please contact Suzette Green-Wright, Market Conduct Director, by phone at 801-538-9674 or by email at [sgreenwright@utah.gov](mailto:sgreenwright@utah.gov).

DATED this 8th day of March, 2013.

  
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Todd E. Kiser  
Insurance Commissioner