

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: 42175 Date filed: 09/29/2017 04:28 PM
 State Admin Rule Filing Key: 159329
 Utah Admin. Code ref. (R no.): R 590 - 244 -
 Changed to Admin. Code ref. (R no.): - -

Title

2. Title of rule or section (catchline):
 Individual and Agency Licensing Requirements

Notice Type

3. Type of notice: Amendment

Rule Purpose

4. Purpose of the rule or reason for the change:

The rule is being revised due to HB 42, Insurance Related Modifications, during the 2017 General Legislative Session. The revisions make the rule consistent with recent changes in the Utah insurance statutes with regard to the requirement to notify licensees of terminated insurer appointments or agency designations. It also removes a requirement for motor club insurers.

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:

The changes require an insurer to notify an individual or agency licensee within 15 days of submitting a termination of appointment to the department, and for an agency to notify an individual licensee within 15 days of submitting a termination of designation to the department. If the licensee was terminated for cause, the amendment requires insurers to provide the licensee a copy of the information that was sent to the department; such information can be either mailed or emailed to the licensee's last known address or email address. It also removes a requirement that motor club insurers submit appointment information to the commissioner as a fax or PDF, because such insurers may now file appointments through SIRCON or NIPR. Additionally, it removes a requirement that an agency submit a change of the designated licensed responsible individual to the commissioner as a fax or PDF, because agencies may now file this change through SIRCON or NIPR.

Aggregate Cost Information

7. Aggregate anticipated cost or savings to:

A) State budget:

Affected: No

There is no anticipated cost or savings to state budget because the rule change applies only to the relationship between an insurer or agency and its licensees.

B) Local government:

Affected: No

There is no anticipated cost or savings to local government because the rule change applies only to the relationship between an insurer or agency and its licensees.

C) Small businesses:

Affected: No

("small business" means a business employing fewer than 50 persons)

There is no anticipated cost or savings to small businesses because the rule change applies only to the relationship between an insurer or agency and its licensees.

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 persons because the rule change applies only to the relationship between an insurer or agency and its licensees.

Compliance Cost Information

8. Compliance costs for affected persons:

An insurer or agency may have a minimal compliance cost depending on how it chooses to send notice to its licensees: While an insurer could incur printing and mailing costs when notifying its licensees of a terminated appointment, the department expects that email will be the preferred option for sending notice. The department specifically requested that insurers submit input regarding fiscal impact as a result of the rule change, and no insurers expressed any concern.

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: After conducting a thorough analysis, it was determined that this proposed rule will not result in a fiscal impact to businesses. While an insurer could incur printing and mailing costs when notifying its licensees of a terminated appointment, the department expects that email will be the preferred option for sending notice. The department specifically requested that insurers submit input regarding fiscal impact as a result of the rule change, and no insurers expressed any concern. V. DEPARTMENT HEAD'S COMMENTS ON THE ANALYSIS: As part of the pre-filing due diligence process, the department requested that insurers submit comments specifically regarding any fiscal impact this rule might have on their business. No insurers submitted comments expressing any concern. The department expects that insurers will choose to send notice via email because it will be the more fiscally appropriate option.

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) :
Subsection 31A-23b-102(7)

Subsection 31A-2-201(3)

Section 31A-23a-108

Section 31A-25-208

Section 31A-23b-208

Section 31A-23a-110

Section 31A-23a-302

Subsection 31A-23a-102(10)

Section 31A-26-213

Section 31A-23a-104

Section 31A-35-406

Section 31A-23b-205

Section 31A-23b-207

Section 31A-23a-115

Section 31A-35-104

Section 31A-23b-401

Section 31A-25-201

Section 31A-23a-111

Section 31A-26-207

Section 31A-23b-102

Section 31A-23b-209

Section 31A-26-210

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) :

11/14/2017

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):

11/21/2017

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 licensing requirements

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): 09/29/2017