

State of Utah
Administrative Rule Analysis
Revised June 2022

NOTICE OF PROPOSED RULE

TYPE OF RULE: New ___; Amendment _x_; Repeal ___; Repeal and Reenact ___

Title No. - Rule No. - Section No.

Rule or Section Number:

R590-264

Filing ID: Office Use Only

Agency Information

1. Department:	Insurance
Agency:	Administration
Room number:	Suite 2300
Building:	Taylorville State Office Building
Street address:	4315 S. 2700 W.
City, state and zip:	Taylorville, UT 84129
Mailing address:	PO Box 146901
City, state and zip:	Salt Lake City, UT 84114-6901

Contact persons:

Name:	Phone:	Email:
Steve Gooch	801-957-9322	sgooch@utah.gov

Please address questions regarding information on this notice to the agency.

General Information

2. Rule or section catchline:

R590-264. Property and Casualty Actuarial Opinion Rule

3. Purpose of the new rule or reason for the change (Why is the agency submitting this filing?):

The rule is being changed in compliance with Executive Order 2021-12. During the review of this rule, the department discovered a number of minor issues that needed to be amended.

4. Summary of the new rule or change (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 If this is a repeal and reenact, explain the substantive differences between the repealed rule and the reenacted rule):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, expand the definition of "qualified actuary," remove the Penalties and Effective Date sections, and update the Severability section to use the department's current language. The changes do not add, remove, or change any regulations or requirements.

Fiscal Information

5. Provide an estimate and written explanation of the aggregate anticipated cost or savings to:

A) State budget:

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) Local governments:

There is no anticipated cost or savings to local governments. The changes are largely clerical in nature, and will not affect local governments.

C) Small businesses ("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.

D) Non-small businesses ("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) 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

Fiscal Cost	FY2023	FY2024	FY2025
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
Total Fiscal Cost	\$0	\$0	\$0
Fiscal Benefits	FY2023	FY2024	FY2025
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
Total Fiscal Benefits	\$0	\$0	\$0
Net Fiscal Benefits	\$0	\$0	\$0

H) Department head comments on fiscal impact and approval of regulatory impact analysis:

The Commissioner of Insurance, Jonathan T. Pike, has reviewed and approved this regulatory impact analysis.

Citation Information

6. 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-4-113	

Incorporations by Reference Information

7. Incorporations by Reference (if this rule incorporates more than two items by reference, please include additional tables):

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*):

Official Title of Materials Incorporated (from title page)	
Publisher	
Issue Date	
Issue or Version	

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*):

Official Title of Materials Incorporated (from title page)	
Publisher	

Issue Date	
Issue or Version	

Public Notice Information

8. 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:		05/31/2023
B) A public hearing (optional) will be held:		
On (mm/dd/yyyy):	At (hh:mm AM/PM):	At (place):

9. This rule change MAY become effective on:	06/07/2023
NOTE: The date above is the date the agency anticipates making the rule or its changes effective. It is NOT the effective date.	

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 <i>Utah State Bulletin</i> and delaying the first possible effective date.			
Agency head or designee and title:	Steve Gooch, Public Information Officer	Date:	04/14/2023

R590. Insurance, Administration.

R590-264. Property and Casualty Actuarial Opinion Rule.

R590-264-1. Authority.

This rule is promulgated by the commissioner pursuant to [the general rulemaking authority vested in the commissioner by Section 31A-2-201, and pursuant to the specific authority of Section] Sections 31A-2-201 and 31A-4-113.

~~**R590-264-2. Scope.**~~

~~This rule applies to all property and casualty insurance companies doing business in this state.~~

~~**R590-264-3. Purpose.**~~

~~The purpose of this rule is:~~

~~1. Require all property and casualty companies doing business in Utah to prepare annually an Actuarial Opinion Summary providing details of the analysis performed by the Appointed Actuary.~~

~~2. Require all property and casualty companies domiciled in Utah to file the Actuarial Opinion Summary with the Utah Insurance commissioner.~~

~~3. Allow property and casualty companies doing business in Utah the ability to request confidentiality for the Actuarial Opinion Summary.]~~

~~**R590-264-2. Purpose and Scope.**~~

~~(1) The purpose of this rule is to:~~

~~(a) require a property and casualty insurer doing business in Utah to prepare annually an actuarial opinion summary providing details of the analysis performed by the appointed actuary; and~~

~~(b) require a property and casualty insurer domiciled in Utah to file the actuarial opinion summary with the commissioner.~~

~~(2) This rule applies to a property and casualty insurer doing business in Utah.~~

~~**R590-264-[4]3. Definitions.**~~

~~[In addition to the definitions in 31A-1-301 the following definitions shall apply for the purposes of this rule.] Terms used in this rule are defined in Section 31A-1-301. Additional terms are defined as follows:~~

~~(1) "Appointed [Actuary]actuary" means a qualified actuary appointed by the [insurance company's-]insurer's board of directors or its equivalent, or by a committee of the board, to provide the actuarial opinion to be filed with the [company's-]insurer's annual statement.~~

~~(2) "Qualified [Actuary]actuary" means a person who:~~

~~(a) a member of the Casualty Actuarial Society](a)(i) meets the basic education, experience, and continuing education requirements of the American Academy of Actuaries;~~

- (ii) has obtained and maintains an accepted actuarial designation specified by the NAIC Property and Casualty Annual Statement Instructions; and
- (iii) is a member of a professional actuarial association that:
- (A) requires adherence to the same code of professional conduct and U.S. qualification standards of the American Academy of Actuaries; and
- (B) participates in the Actuarial Board for Counseling and Discipline when its association members are practicing in the U.S.; or
- (b) is a member of the American Academy of Actuaries [who has been] approved as qualified [for signing] to sign casualty loss reserves opinions by the Casualty Practice Council of the American Academy of Actuaries.
- (3) "Statement of [the Actuarial Opinion] actuarial opinion" means a statement prepared by the [Appointed Actuary] appointed actuary that:
- (a) [setting] sets forth the actuary's opinion [relating to the company's] of the insurer's reserves; and
- (b) is prepared in accordance with the [appropriate] NAIC Property and Casualty Annual Statement Instructions.

R590-264-[5]4. Actuarial Opinion Summary.

- (1) [Every] A property and casualty [insurance company] insurer domiciled in this [states that is] state and required to submit a [Statement of Actuarial Opinion] statement of actuarial opinion shall annually file with the commissioner an [Actuarial Opinion Summary] actuarial opinion summary, prepared and signed by the [company's Appointed Actuary] insurer's appointed actuary.
- [2] This Actuarial Opinion Summary] (2) The actuarial opinion summary shall be prepared in accordance with the appropriate NAIC Property and Casualty Annual Statement Instructions [and shall be considered as]
- (3) The actuarial opinion summary is considered a document supporting the [Actuarial Opinion] actuarial opinion.
- [3](4) A property and casualty [insurance company] insurer licensed but not domiciled in this state shall provide the [Actuarial Opinion Summary] actuarial opinion summary upon request.

R590-264-[6]5. Actuarial Report.

- [1] Each Statement of Actuarial Opinion] (1) A statement of actuarial opinion submitted annually by a property and casualty [insurance company] insurer shall be supported by an [Actuarial Report] actuarial report prepared and signed by the [company's Appointed Actuary] insurer's appointed actuary.
- (2) The [Actuarial Report] actuarial report required by Subsection R590-264-5(1) shall be:
- (a) prepared in accordance with the [appropriate] NAIC Property and Casualty Annual Statement Instructions; and
- (b) [be available] provided to the commissioner upon request.
- (3) The commissioner may engage a qualified actuary at the expense of the [company] insurer to review the [Actuarial Opinion] actuarial opinion and the basis for the opinion, and prepare, if requested, the supporting [Actuarial Report] actuarial report or work papers if:
- (a) the [insurance company] insurer fails to provide an [Actuarial Report] actuarial report to the commissioner upon request [of the commissioner]; or
- (b) the commissioner determines that the [Actuarial Report] actuarial report provided by the [company is otherwise unacceptable to the commissioner] insurer is unacceptable.

R590-264-[7]6. Confidentiality.

- (1) A property and casualty [insurance company] insurer filing an [Actuarial Opinion Summary] actuarial opinion summary with the commissioner [shall] may, at the time of the filing, request that all or a part of the [Actuarial Opinion Summary] it deems confidential] actuarial opinion summary be classified as a protected record under Subsection 63G-2-305(1) or 63G-2-305(2).
- (2) [A company] An insurer making a confidentiality claim under Subsection R590-264-6(1) shall [provide the commissioner with the filing information specified in] comply with Section 63G-2-309.

~~R590-264-8. Penalties.~~

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

~~R590-264-9. Enforcement Date.~~

~~The commissioner will begin enforcing this rule on the effective date of this rule.~~

R590-264-[10]7. 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.] If any provision of this rule, Rule R590-264, 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: property casualty insurance

Date of Last Change: July 13, 2012

Notice of Continuation: June 30, 2022

Authorizing, and Implemented or Interpreted Law: 31A-2-201; 31A-4-113