

NOTICE OF  
PROPOSED NEW RULE

- 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: 43281 Date filed: 10/16/2018 02:07 PM  
 State Admin Rule Filing Key: 160697  
 Utah Admin. Code ref. (R no.): R 590 - 278 -

Title

2. Title of rule or section (catchline):  
 Consent Requests Under 18 U.S.C. § 1033(e)(2)

Notice Type

3. Type of notice: New Rule

Rule Purpose

4. Purpose of the rule or reason for the change:  
 This new rule creates a process by which prospective licensees may petition the Commissioner for written consent to participate in the business of insurance if they have certain felony convictions.

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:

Under 18 U.S.C. § 1033(e)(2), a person with certain types of felony convictions are prohibited from engaging in the insurance business. However, the statute makes an exception for those convicts who obtain the Commissioner's consent to engage in the insurance business. This rule formalizes the process for obtaining that consent.

## 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. Based on past inquiries, the Department estimates that it will receive approximately five requests a year under this rule. Processing these requests will be manageable and can be handled as part of a normal workload.

#### B) Local government:

Affected: No

There is no anticipated cost or savings to local government. The rule concerns the relationship between the Insurance Department and prospective licensees, and will not affect local government.

#### 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. The rule concerns the relationship between the Insurance Department and prospective licensees, and will not affect small businesses.

#### D) Persons other than small businesses, businesses, or local government entities:

Affected: Yes

("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an agency)

A person who chooses to pursue a consent request under 18 U.S.C. § 1033(e)(2) will be required to pay a \$32 fee for a background check, and may have other costs such as copying or record request fees. The Department estimates that the total cost inclusive of all fees will be no more than \$100 per affected person. The Department expects to process approximately five requests a year, for an aggregate annual cost of \$500 to individuals as a group.

## Compliance Cost Information

### 8. Compliance costs for affected persons:

A person who chooses to pursue a consent request under 18 U.S.C. § 1033(e)(2) will be required to pay a \$32 fee for a background check, and may have other costs such as copying or record request fees. The Department estimates that the total cost inclusive of all fees will be no more than \$100 per affected person.

## Department Head Comments

### 9. A) Comments by the department head on the fiscal impact the rule may have on businesses:

After conducting a thorough analysis, it was determined that this proposed rule will not result in a fiscal impact to 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) :  
Subsection 31A-2-201(3)  
  
Subsection 31A-23a-111(5)(b)

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) : 12/17/2018  
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): 12/24/2018  
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): 10/16/2018