

**State of Utah**  
**Administrative Rule Analysis**  
Revised May 2024

**NOTICE OF SUBSTANTIVE CHANGE**

**TYPE OF FILING:** Amendment

**Rule or Section Number:**

**R590-79-3**

**Filing ID: Office Use Only**

**Date of Previous Publication (Only for CPRs):**

Click or tap to enter a date.

**Agency Information**

<b>1. Title catchline:</b>	Insurance, Administration	
<b>Building:</b>	Taylorsville State Office Building	
<b>Street address:</b>	4315 S. 2700 W.	
<b>City, state</b>	Taylorsville, UT	
<b>Mailing address:</b>	PO Box 146901	
<b>City, state and zip:</b>	Salt Lake City, UT 84114-6901	
<b>Contact persons:</b>		
<b>Name:</b>	<b>Phone:</b>	<b>Email:</b>
Steve Gooch	801-957-9322	sgooch@utah.gov
<b>Please address questions regarding information on this notice to the persons listed above.</b>		

**General Information**

<b>2. Rule or section catchline:</b>
R590-79-3. Definitions
<b>3. Purpose of the new rule or reason for the change:</b>
During a five year review of this rule, the Department discovered two definitions that needed to be updated.
<b>4. Summary of the new rule or change:</b>
This filing updates the definitions of "generic name" and "non-guaranteed element" to be consistent with other rules that deal with life insurance.

**Fiscal Information**

<b>5. Provide an estimate and written explanation of the aggregate anticipated cost or savings to:</b>
<b>A) State budget:</b>
There is no anticipated cost or savings to the state budget. The change merely updates a definition and will have no fiscal impact on any person.
<b>B) Local governments:</b>
There is no anticipated cost or savings to local governments. The change merely updates a definition and will have no fiscal impact on any person.
<b>C) Small businesses</b> ("small business" means a business employing 1-49 persons):
There is no anticipated cost or savings to small businesses. The change merely updates a definition and will have no fiscal impact on any person.
<b>D) Non-small businesses</b> ("non-small business" means a business employing 50 or more persons):
There is no anticipated cost or savings to non-small businesses. The change merely updates a definition and will have no fiscal impact on any person.
<b>E) Persons other than small businesses, non-small businesses, state, or local government entities</b> ("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an <b>agency</b> ):
There is no anticipated cost or savings to any other persons. The change merely updates a definition and will have no fiscal impact on any person.

**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 change merely updates a definition and there are no costs associated with the definition.

**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.)

<b>Regulatory Impact Table</b>			
<b>Fiscal Cost</b>	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>
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
<b>Total Fiscal Cost</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Fiscal Benefits</b>	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>
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
<b>Total Fiscal Benefits</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Fiscal Benefits</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

The Commissioner of the Insurance Department, 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-22-425	Section 31A-23a-402

**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 or updates 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*):

<b>Official Title of Materials Incorporated (from title page)</b>	
<b>Publisher</b>	
<b>Issue Date</b>	
<b>Issue or Version</b>	

**B) This rule adds or updates 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*):

<b>Official Title of Materials Incorporated (from title page)</b>	
<b>Publisher</b>	
<b>Issue Date</b>	
<b>Issue or Version</b>	

### 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:** 10/31/2024

**B) A public hearing (optional) will be held:**

**Date (mm/dd/yyyy):** **Time (hh:mm AM/PM):** **Place (physical address or URL):**

**To the agency:** If more space is needed for a physical address or URL, refer readers to Box 4 in General Information. If more than two hearings will take place, continue to add rows.

**9. This rule change MAY become effective on:** 11/07/2024

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, 63G-3-302, 63G-3-303, and 63G-3-402. 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 head or designee and title:** Steve Gooch, Public Information Officer **Date:** 09/10/2024

#### R590. Insurance, Administration.

#### R590-79. Life Insurance Disclosure Rule.

#### R590-79-3. Definitions.

Terms used in this rule are defined in Section 31A-1-301 and Rule R590-177. Additional terms are defined as follows:

(1) "Buyer's guide" means a document that contains, and is limited to, the language contained in the "Life Insurance Buyer's Guide," as adopted and periodically amended by the National Association of Insurance Commissioners.

(2) "Current scale of nonguaranteed elements" means a formula or other mechanism that produces values for an illustration as if there is no change in the basis of those values after the time of illustration.

(3) "Generic name" means a short title ~~[that describes the premium and benefit patterns of a policy or a rider, such as "whole life," "term life," or "flexible premium adjustable life".]~~descriptive of the policy being illustrated such as "whole life," "term life," or "flexible premium adjustable life."

(4)(a) "Nonguaranteed element" means ~~[any premium, credited interest rate including any bonus, benefit, value, non-interest based credit, charge, or element of a formula used to determine any of these that are subject to company discretion and are not guaranteed at issue]~~a premium, benefit, value, credit, or charge under a life insurance policy that is not guaranteed or not determined at issue.

(b) An element is considered nonguaranteed if any underlying nonguaranteed element is used in its calculation.

(5) "Policy data" means a display or schedule of numerical values, both guaranteed and nonguaranteed, for each policy year or a series of designated policy years of the following information:

- (a) illustrated annual, other periodic, and terminal dividends;
- (b) premiums;
- (c) death benefits;
- (d) cash surrender values; and
- (e) endowment benefits.

(6) "Policy summary" means a written statement describing only the guaranteed elements of the policy.

(7) "Preneed funeral contract" and "prearrangement" each mean an agreement by or for an individual before that individual's death relating to the purchase or provisions of specific funeral or cemetery merchandise or services.

**KEY: insurance law**

**Date of Last Change: December 9, 2021**

**Notice of Continuation: August 20, 2019**

**Authorizing, and Implemented or Interpreted Law: 31A-2-201**