

R590. Insurance, Administration.

R590-124. Loss Information Rule.

R590-124-1. Authority.

This rule is promulgated by the insurance commissioner pursuant to the general authority granted under Subsection 31A-2-201(3) to adopt rules for the implementation of the Utah Insurance Code and under Subsection 31A-23a-402(8) authorizing the commissioner to define unfair methods of competition.

R590-124-2. Purpose and Scope.

(1) Accurate loss information is necessary in underwriting and rating insurance policies. The purpose of this rule is to provide for the prompt dissemination of loss information between insurers and their insureds.

(2) This rule applies to every authorized property and liability insurer licensed to do business in Utah writing those lines of insurance commonly identified as commercial property and commercial liability, including workers' compensation but excluding disability, and including every recognized Surplus Line Company and the Workers' Compensation Fund of Utah.

R590-124-3. Definitions.

For the purpose of this rule, the commissioner adopts the definitions as particularly set forth in Section 31A-1-301 and in addition thereto, the following definitions:

(1) "Named Insured" shall mean the person(s) or organization(s) listed in the policy declarations as the policyholder, or the legal representative thereof.

(2) "First Named Insured" shall mean the first entity named as a Named Insured in the declarations of the policy;

(3) "Loss" shall mean the dollar amount paid to an insured or claimant by an insurer on a claim made against an insurance contract;

(4) "Notice of Occurrence" shall mean notice to an insurer of an occurrence, which might result in a claim against an insurance contract.

R590-124-4. Rule.

(1) All insurers issuing policies to which this rule applies shall provide loss information to the first named insured within 30 days from the receipt of a written request from the named insured. Loss information shall be provided for the three most recent policy years in which coverage was provided, or complete loss information if the policy has been in effect less than three years. If an insurer initiates the cancellation or the nonrenewal of a policy it shall advise the first named insured of this right to request the loss information.

(2) The following is the loss information that must be provided:

(a) Information on closed claims where payment was allowed, including date of occurrence, type of loss, and amount of payments;

(b) Information on all open claims, including date of occurrence, type of loss, and amount of payments, if any;

(c) Information on notices of occurrence, including date of occurrence.

(3) The required loss information need only be provided one time in any twelve month period and shall be provided at no charge to the insured.

(4) Loss information requests received more than three years after the termination of coverage need not be honored.

(5) The loss information required by this rule shall be provided in a format that is clear and understandable to the insured.

R590-124-5. Penalties.

If a company fails to provide the information as required by this rule, such failure shall constitute an unfair trade practice as defined in Section 31A-26-303 and Rule R590-190 and shall be subject to the forfeiture and penalty provisions of Section 31A-2-308.

R590-124-6. Separability.

If any provision of this rule or the application thereof to any person or circumstance is for any reason held to be invalid, the remainder of the rule and the application of such provisions shall not be affected thereby.

R590-124-7. Effective Date.

This rule shall be effective July 14, 1988.

KEY: insurance companies

Date of Enactment or Last Substantive Amendment: 1988

Notice of Continuation: December 8, 2017

Authorizing, and Implemented or Interpreted Law: 31A-23a-402