

**R590. Insurance, Administration.**

**R590-248. Mandatory Fraud Reporting Rule.**

**R590-248-1. Authority.**

This rule is promulgated pursuant to Section 31A-2-201(3)(a), which authorizes rules to implement the Insurance Code and 31A-31-110, which authorizes a rule to provide a process by which a person shall report a fraudulent insurance act.

**R590-248-2. Purpose and Scope.**

- (1) The purposes of this rule are to:
  - (a) describe the required elements in a mandatory fraud report; and
  - (b) establish a reporting process for fraud reports.
- (2) This rule applies to:
  - (a) all insurers doing the business of insurance in Utah; and
  - (b) all auditors employed by a title insurer doing the business of title insurance in Utah.

**R590-248-3. Mandatory Elements of a Fraud Report.**

- A mandatory fraud report shall:
- (1) be in writing;
  - (2) provide information in detail relating to:
    - (a) the fraudulent insurance act; and
    - (b) the perpetrator of the fraudulent insurance act; and
  - (3) state whether the person submitting the report of a fraudulent insurance act also reported the fraudulent insurance act in writing to:
    - (a) the attorney general;
    - (b) a state law enforcement agency;
    - (c) a criminal investigative department or agency of the United States;
    - (d) a district attorney; or
    - (e) the prosecuting attorney of a municipality or county;
- and
- (4) state the agency to which the person reported the fraudulent insurance act.

**R590-248-4. Mandatory Fraud Reporting Process.**

- (1) The following persons shall report a fraudulent insurance act to the commissioner if the person has a good faith belief on the basis of a preponderance of the evidence that a fraudulent insurance act is being, will be, or has been committed by:
  - (a) a person other than the person making the report;
  - (b) an insurer; or
  - (c) an auditor that is employed by a title insurer.

(2) An auditor employed by a title insurer shall report a fraudulent act to the title insurer and the title insurer shall report the fraudulent act in accordance with this subsection.

(3) An insurer shall submit mandatory fraud reports electronically.

(4) An insurer shall report a fraudulent insurance act by:

(a) submitting a report to the commissioner using the National Insurance Crime Bureau (NICB) fraud reporting system; or

(b) submitting a report directly to the commissioner using email sent to fraud@utah.gov.

**R590-248-5. Penalties.**

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

**R590-248-6. Enforcement Date.**

The commissioner will begin enforcing this rule 45 days from the rule's effective date.

**R590-248-7. Severability.**

If any provision or clause of this rule or its application to any person or situation is held invalid, such invalidity may 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.

**KEY: insurance, mandatory fraud reporting**

**Date of Enactment or Last Substantive Amendment: April 7, 2017**

**Notice of Continuation: December 21, 2018**

**Authorizing, and Implemented or Interpreted Law: 31A-2-201; 31A-31-110**