

CONVERSATION WITH THE COMMISSIONER

MARCH 26, 2019

TODD E. KISER
INSURANCE COMMISSIONER



2019 INSURANCE-RELATED LEGISLATION





HB 52: REMOTE NOTARIZATION STANDARDS

REMOTE NOTARIZATION STANDARDS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Craig Hall

Senate Sponsor: Kirk A. Cullimore

- Allows a notarization to be performed remotely.
- Sets requirements and a process for the Lt. Governor to certify a remote notary.
- Creates standards for remote notarization:
 - How to determine an individual's identity.
 - Permissible equipment, software and hardware.
- Requires remote notaries to keep electronic journals including an audio and video recording of each remote notarization performed.



HB 55: INSURANCE AMENDMENTS

INSURANCE AMENDMENTS

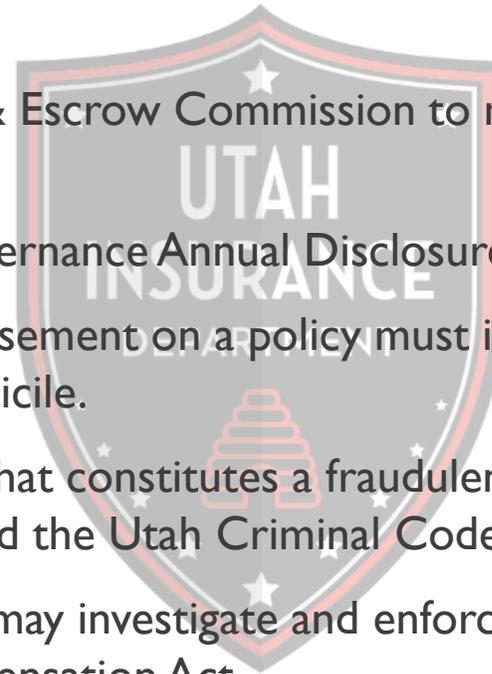
2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: James A. Dunnigan

Senate Sponsor: Curtis S. Bramble

- **Department's Bill**
- Provides for the Title & Escrow Commission to meet at least quarterly, rather than monthly.
- Enacts Corporate Governance Annual Disclosure Act.
- Provides that an endorsement on a policy must include the insurer's name and state of domicile.
- Modifies the conduct that constitutes a fraudulent insurance act under the Insurance Code and the Utah Criminal Code.
- Clarifies that the UID may investigate and enforce certain provisions of the Workers' Compensation Act.





HB 101: AUTONOMOUS VEHICLE AMENDMENTS

AUTONOMOUS VEHICLE REGULATIONS

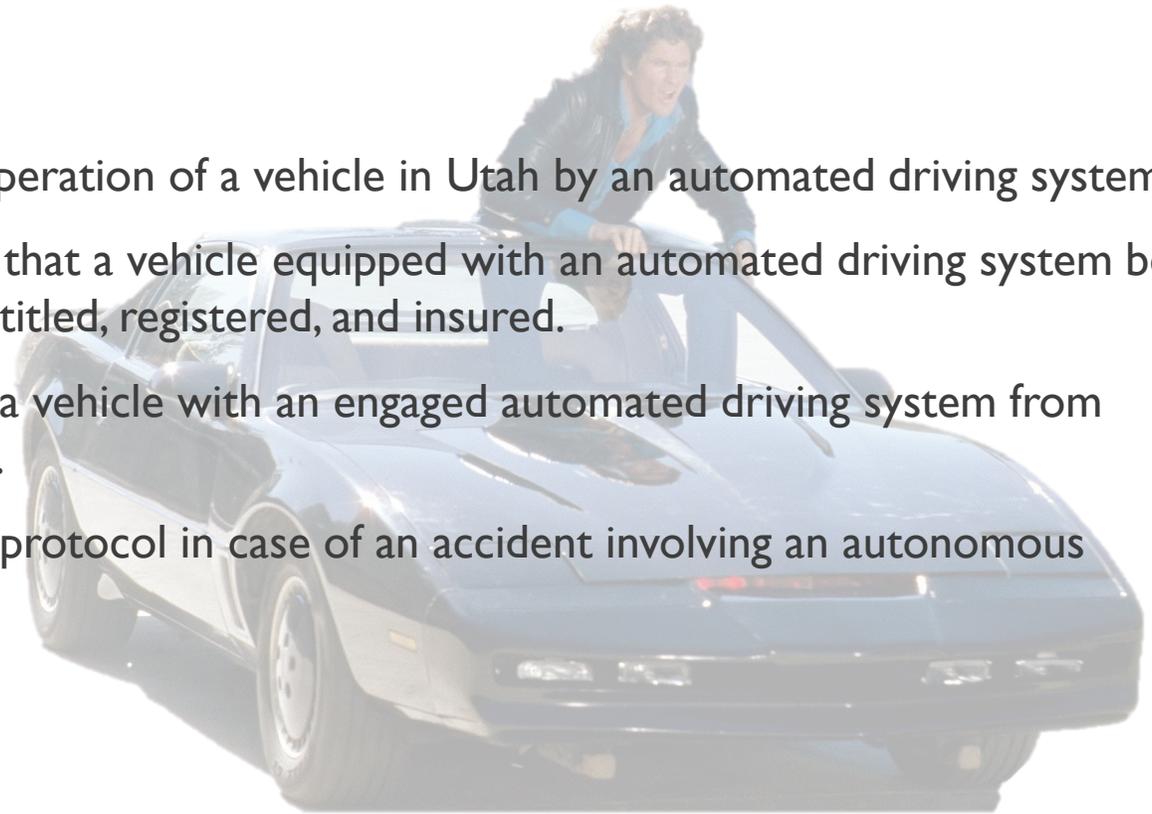
2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Robert M. Spendlove

Senate Sponsor: _____

- Allows operation of a vehicle in Utah by an automated driving system.
- Requires that a vehicle equipped with an automated driving system be properly titled, registered, and insured.
- Exempts a vehicle with an engaged automated driving system from licensure.
- Provides protocol in case of an accident involving an autonomous vehicle.





HB 194: UNINSURED MOTORIST AMENDMENTS

UNINSURED MOTORIST AMENDMENTS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kelly B. Miles

Senate Sponsor: Daniel Hemmert

- Specifies that the statute of limitations for an action under a contract for uninsured motorist coverage shall commence “within one year after the date the uninsured motorist carrier denies the claim of the covered person, or four years from the date of the loss, whichever is later.”



SB 95:AUTISM AMENDMENTS

AUTISM AMENDMENTS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Curtis S. Bramble

House Sponsor: _____

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- A large, stylized graphic of an autism awareness ribbon, composed of interlocking puzzle pieces in red, yellow, and blue, positioned behind the list of amendments.
- Requires that certain health benefit plans provide coverage for behavioral treatment for individuals with autism spectrum disorders.
 - Prohibits those plans from limiting hours of treatment for autism spectrum disorders.
 - Removes a provision that lets the Insurance Commissioner waive the requirement that a health benefit plan cover the diagnosis and treatment of autism spectrum disorders.



SB 121: CONTROLLED BUSINESS IN TITLE INSURANCE REPEAL

CONTROLLED BUSINESS IN TITLE INSURANCE REPEAL

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Daniel Hemmert

House Sponsor: Mike Schultz

- Amends who can own a title insurance agency.
- Was more contentious than expected.

OTHER 2019 LEGISLATION





HB 378: REGULATORY SANDBOX

REGULATORY SANDBOX

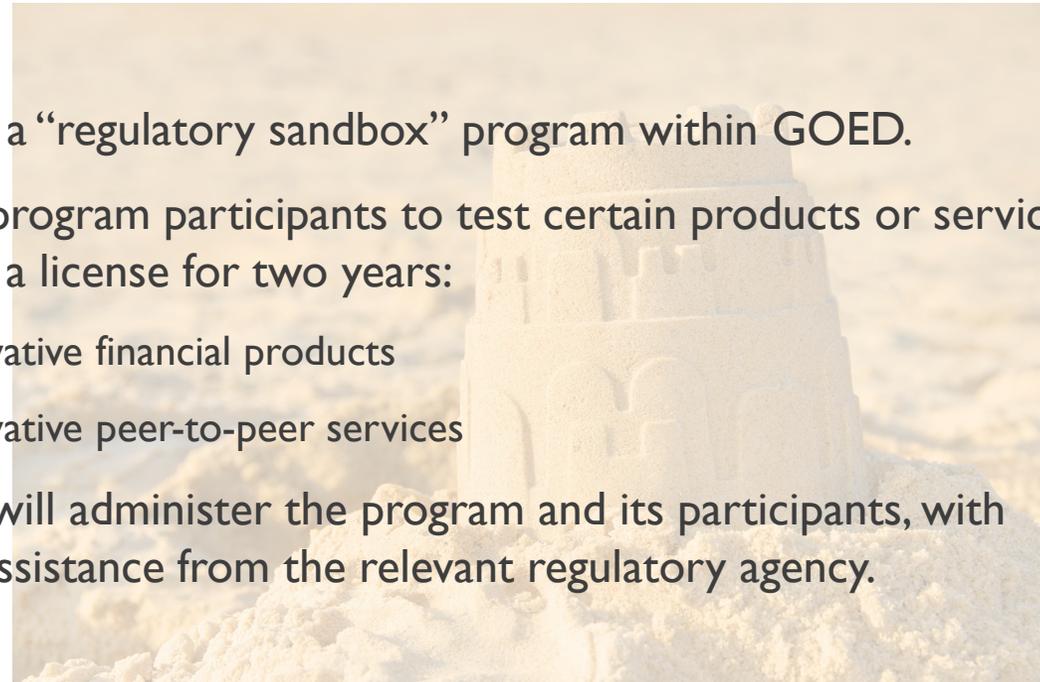
2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Marc K. Roberts

Senate Sponsor: _____

- Creates a “regulatory sandbox” program within GOED.
- Allows program participants to test certain products or services without a license for two years:
 - Innovative financial products
 - Innovative peer-to-peer services
- GOED will administer the program and its participants, with advice/assistance from the relevant regulatory agency.





SB 96: MEDICAID EXPANSION ADJUSTMENTS

MEDICAID EXPANSION ADJUSTMENTS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Allen M. Christensen

House Sponsor: James A. Dunnigan

- Amends Proposition 3, the statewide initiative that passed in November.
- Makes changes to eligibility and administration of Utah's Medicaid program.
- Directs Department of Health to seek approval from feds to expand Medicaid eligibility to individuals with income <100% FPL.
 - Directs Department of Health to expand Medicaid eligibility to individuals with income <138% FPL if feds don't give approval.
- Permits Department of Health to seek additional waivers to control costs of Medicaid expansion.

FRAUD DIVISION ACTIVITIES



FRAUD DIVISION MAKEUP



- 11 law enforcement investigators
- 3 contracted Attorneys General
- 3 civilian staff



FRAUD DIVISION: BY THE NUMBERS (2018)

1079

total referrals received

34%

increase over the annual
average of 800 referrals

- 136 — total cases closed through prosecution
- 83 — total defendants charged
- \$665,791 — victim restitution ordered
- \$574,777 — victim restitution collected
- \$148,275 — Fraud Division investigation costs ordered

BARBER TRUCKING



- Joint investigation with the Federal Motor Carrier Division.
- Defendants created “shell” trucking companies under newly employed drivers’ names without their knowledge.
- Obtained single-truck insurance policies, but added dozens more trucks to policies.
- Filed dozens of accident claims, then moved one truck to a new company policy, followed by the others. This allowed them to avoid paying premiums on more than one truck.
- **\$1,324,399** lost in premiums and claims.
- **Result:** Defendants sentenced to federal prison and ordered to pay full amount in victim restitution to the defrauded insurer.

BAIL BOND COMPANY



- Bail bond company owner accepted cash from customers to post bail.
- The company did not return a portion of the money due to clients after they met the court's requirements.
- Instead, the company moved money out of a trust account and converted it to personal use funds.
- 120 victims.
- \$250,000+ in posted bond money stolen.
- Case is awaiting trial.

CHIROPRACTOR RING



- Four chiropractors purchased supplemental insurance policies to pay for chiropractic care.
- Provided paid plans to employees and family members and had them submit claims for treatment that did not happen.
- 6 people charged (to date)
- 1,073 separate injury claims
- 3,857 treatments
- \$200,000 paid by insurance
- Court cases pending against charged defendants, with possibility of more to come.