

State of Utah
Administrative Rule Analysis
 Revised November 2021

NOTICE OF PROPOSED RULE		
TYPE OF RULE: New <u> </u> x <u> </u> ; Amendment <u> </u> ; Repeal <u> </u> ; Repeal and Reenact <u> </u>		
Title No. - Rule No. - Section No.		
Utah Admin. Code Ref (R no.):	R590-288	Filing ID (Office Use Only)
Changed to Admin. Code Ref. (R no.):	R	

Agency Information

1. Department:	Insurance	
Agency:	Administration	
Room no.:	Suite 2300	
Building:	Taylorsville State Office Building	
Street address:	4315 S. 2700 W.	
City, state and zip:	Taylorsville, UT 84129	
Mailing address:	PO Box 146901	
City, state and zip:	Salt Lake City, UT 84114-6901	
Contact person(s):		
Name:	Phone:	Email:
Steve Gooch	801-957-9322	sgooch@utah.gov
Please address questions regarding information on this notice to the agency.		

General Information

2. Rule or section catchline:
R590-288. Limited Line Producer Line of Authority for Pet Insurance
3. Purpose of the new rule or reason for the change (Why is the agency submitting this filing?):
This rule is created to recognize a limited line license that authorizes insurance agents to sell pet insurance.
4. Summary of the new rule or change (What does this filing do? If this is a repeal and reenact, explain the substantive differences between the repealed rule and the reenacted rule):
This rule allows insurance agents to apply for a limited line license to sell pet insurance

Fiscal Information

5. Provide an estimate and written explanation of the aggregate anticipated cost or savings to:
A) State budget:
This rule may result in a trivial savings to the state budget. A pet insurance limited line license will take less time for the Department to process than a property insurance full line license that is now required to sell pet insurance.
B) Local governments:
There is no anticipated cost or savings to local governments. This rule only applies to an agent who applies to sell pet insurance.
C) Small businesses ("small business" means a business employing 1-49 persons):
There is no anticipated cost or savings to small businesses. This rule only applies to an agent who applies to sell pet insurance.
D) Non-small businesses ("non-small business" means a business employing 50 or more persons):
There is no anticipated cost or savings to non-small businesses. This rule only applies to an agent who applies to sell pet insurance.

E) Persons other than small businesses, non-small businesses, state, or local government entities ("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an **agency**):

An insurance agent who sells only pet insurance, or who sells pet insurance along with another line of business aside from property insurance, will see a biennial savings of \$25 compared to the current process. It is impossible for the Department to estimate the aggregate fiscal impact of this rule because the Department cannot know the number of agents who want to be licensed to sell pet insurance. Currently, pet insurance may be sold by a veterinarian or any agent with a property insurance license, but because pet insurance is not separated from property insurance, we are unable to estimate how many agents sell it.

F) Compliance costs for affected persons (How much will it cost an impacted entity to adhere to this rule or its changes?):

There is no compliance cost for any affected persons. This rule simply allows an insurance agent to more easily apply to sell pet insurance. If a licensed agent chooses to apply, they will pay \$45 for a pet insurance limited line license instead of \$70 for a property insurance license.

G) Comments by the department head on the fiscal impact this rule may have on businesses (Include the name and title of the department head):

After conducting a thorough analysis, it was determined that this proposed rule amendment will not result in a fiscal impact to businesses. — Jonathan T. Pike, Insurance Commissioner

6. A) 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.)

Regulatory Impact Table			
Fiscal Cost	FY2022	FY2023	FY2024
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
Total Fiscal Cost	\$0	\$0	\$0
Fiscal Benefits			
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
Total Fiscal Benefits	\$0	\$0	\$0
Net Fiscal Benefits	\$0	\$0	\$0

B) Department head approval of regulatory impact analysis:

The Commissioner of Insurance, Jonathan T. Pike, has reviewed and approved this fiscal analysis.

Citation Information

7. 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-23a-106	

Incorporations by Reference Information

(If this rule incorporates more than two items by reference, please include additional tables.)

8. A) This rule adds, updates, or removes 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*):

	First Incorporation
Official Title of Materials Incorporated (from title page)	

Publisher	
Date Issued	
Issue, or version	

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

	Second Incorporation
Official Title of Materials Incorporated (from title page)	
Publisher	
Date Issued	
Issue, or version	

Public Notice Information

9. 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 (mm/dd/yyyy): 07/01/2022

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

On (mm/dd/yyyy):	At (hh:mm AM/PM):	At (place):

10. This rule change MAY become effective on (mm/dd/yyyy): 07/08/2022

NOTE: The date above is the date the agency anticipates making the rule or its changes effective. It is NOT the effective date. To make this rule effective, the agency must submit a Notice of Effective Date to the Office of Administrative Rules on or before the date designated in Box 10.

Agency Authorization Information

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 head or designee, and title:	Steve Gooch, Public Information Officer	Date (mm/dd/yyyy):	05/16/2022
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R590. Insurance, Administration.

R590-288. Limited Line Producer Line of Authority for Pet Insurance.

R590-288-1. Authority.

This rule is promulgated by the commissioner pursuant to Sections 31A-2-201 and 31A-23a-106.

R590-288-2. Purpose and Scope.

(1) The purpose of this rule is to recognize a limited line producer line of authority for pet insurance.

(2) This rule applies to a person holding a producer license for a line of authority under Subsection 31A-23a-106(2)(a).

R590-288-3. Definitions.

Terms used in this rule are defined in Section 31A-1-301. Other terms are defined as follows:

(1) "Pet insurance" means a property insurance policy that provides coverage for an accident or illness of a pet.

R590-288-4. Limited Line Producer Line of Authority for Pet Insurance.

(1) The commissioner recognizes a limited line producer line of authority for pet insurance.

(2) A person holding a property insurance producer license for a line of authority under Subsection 31A-23a-106(2)(a)(iv) may offer pet insurance without any additional license requirements.

(3) A person holding a producer license for a line of authority under Subsections 31A-23a-106(2)(a)(i) through 31A-23a-106(2)(a)(iii) or 31A-23a-106(2)(a)(v) through 31A-23a-106(2)(a)(vii) may apply for a pet insurance limited line producer license.

(4) A person holding a limited line producer license for pet insurance is not required to complete continuing education regarding pet insurance.

R590-288-5. Severability.

If any provision of this rule, Rule R590-288, or its application to any person or situation is held invalid, such invalidity does not affect any other provision or application of this rule that can be given effect without the invalid provision or application. The remainder of this rule shall be given effect without the invalid provision or application.

KEY: insurance

Date of Last Change: 2022

Authorizing, and Implemented or Interpreted Law: 31A-2-201; 31A-23a-106