

***Superseded 5/10/2016***

**31A-23b-401 Revocation, suspension, surrender, lapsing, limiting, or otherwise terminating a license -- Rulemaking for renewal or reinstatement.**

- (1) A license as a navigator under this chapter remains in force until:
  - (a) revoked or suspended under Subsection (4);
  - (b) surrendered to the commissioner and accepted by the commissioner in lieu of administrative action;
  - (c) the licensee dies or is adjudicated incompetent as defined under:
    - (i) Title 75, Chapter 5, Part 3, Guardians of Incapacitated Persons; or
    - (ii) Title 75, Chapter 5, Part 4, Protection of Property of Persons Under Disability and Minors;
  - (d) lapsed under this section; or
  - (e) voluntarily surrendered.
- (2) The following may be reinstated within one year after the day on which the license is no longer in force:
  - (a) a lapsed license; or
  - (b) a voluntarily surrendered license, except that a voluntarily surrendered license may not be reinstated after the license period in which the license is voluntarily surrendered.
- (3) Unless otherwise stated in a written agreement for the voluntary surrender of a license, submission and acceptance of a voluntary surrender of a license does not prevent the department from pursuing additional disciplinary or other action authorized under:
  - (a) this title; or
  - (b) rules made under this title in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- (4)
  - (a) If the commissioner makes a finding under Subsection (4)(b), as part of an adjudicative proceeding under Title 63G, Chapter 4, Administrative Procedures Act, the commissioner may:
    - (i) revoke a license;
    - (ii) suspend a license for a specified period of 12 months or less;
    - (iii) limit a license in whole or in part; or
    - (iv) deny a license application.
  - (b) The commissioner may take an action described in Subsection (4)(a) if the commissioner finds that the licensee:
    - (i) is unqualified for a license under Section 31A-23b-204, 31A-23b-205, or 31A-23b-206;
    - (ii) violated:
      - (A) an insurance statute;
      - (B) a rule that is valid under Subsection 31A-2-201(3); or
      - (C) an order that is valid under Subsection 31A-2-201(4);
    - (iii) is insolvent or the subject of receivership, conservatorship, rehabilitation, or other delinquency proceedings in any state;
    - (iv) failed to pay a final judgment rendered against the person in this state within 60 days after the day on which the judgment became final;
    - (v) refused:
      - (A) to be examined; or
      - (B) to produce its accounts, records, and files for examination;
    - (vi) had an officer who refused to:
      - (A) give information with respect to the navigator's affairs; or
      - (B) perform any other legal obligation as to an examination;

- (vii) provided information in the license application that is:
    - (A) incorrect;
    - (B) misleading;
    - (C) incomplete; or
    - (D) materially untrue;
  - (viii) violated an insurance law, valid rule, or valid order of another state's insurance department;
  - (ix) obtained or attempted to obtain a license through misrepresentation or fraud;
  - (x) improperly withheld, misappropriated, or converted money or properties received in the course of doing insurance business;
  - (xi) intentionally misrepresented the terms of an actual or proposed:
    - (A) insurance contract;
    - (B) application for insurance; or
    - (C) application for public program;
  - (xii) is convicted of a felony;
  - (xiii) admitted or is found to have committed an insurance unfair trade practice or fraud;
  - (xiv) in the conduct of business in this state or elsewhere:
    - (A) used fraudulent, coercive, or dishonest practices; or
    - (B) demonstrated incompetence, untrustworthiness, or financial irresponsibility;
  - (xv) had an insurance license, navigator license, or its equivalent, denied, suspended, or revoked in another state, province, district, or territory;
  - (xvi) forged another's name to:
    - (A) an application for insurance;
    - (B) a document related to an insurance transaction;
    - (C) a document related to an application for a public program; or
    - (D) a document related to an application for premium subsidies;
  - (xvii) improperly used notes or another reference material to complete an examination for a license;
  - (xviii) knowingly accepted insurance business from an individual who is not licensed;
  - (xix) failed to comply with an administrative or court order imposing a child support obligation;
  - (xx) failed to:
    - (A) pay state income tax; or
    - (B) comply with an administrative or court order directing payment of state income tax;
  - (xxi) violated or permitted others to violate the federal Violent Crime Control and Law Enforcement Act of 1994, 18 U.S.C. Sec. 1033 and therefore under 18 U.S.C. Sec. 1033 is prohibited from engaging in the business of insurance; or
  - (xxii) engaged in a method or practice in the conduct of business that endangered the legitimate interests of customers and the public.
- (c) For purposes of this section, if a license is held by an agency, both the agency itself and any individual designated under the license are considered to be the holders of the license.
- (d) If an individual designated under the agency license commits an act or fails to perform a duty that is a ground for suspending, revoking, or limiting the individual's license, the commissioner may suspend, revoke, or limit the license of:
- (i) the individual;
  - (ii) the agency, if the agency:
    - (A) is reckless or negligent in its supervision of the individual; or
    - (B) knowingly participates in the act or failure to act that is the ground for suspending, revoking, or limiting the license; or

- (iii)
  - (A) the individual; and
  - (B) the agency if the agency meets the requirements of Subsection (4)(d)(ii).
- (5) A licensee under this chapter is subject to the penalties for acting as a licensee without a license if:
  - (a) the licensee's license is:
    - (i) revoked;
    - (ii) suspended;
    - (iii) surrendered in lieu of administrative action;
    - (iv) lapsed; or
    - (v) voluntarily surrendered; and
  - (b) the licensee:
    - (i) continues to act as a licensee; or
    - (ii) violates the terms of the license limitation.
- (6) A licensee under this chapter shall immediately report to the commissioner:
  - (a) a revocation, suspension, or limitation of the person's license in another state, the District of Columbia, or a territory of the United States;
  - (b) the imposition of a disciplinary sanction imposed on that person by another state, the District of Columbia, or a territory of the United States; or
  - (c) a judgment or injunction entered against that person on the basis of conduct involving:
    - (i) fraud;
    - (ii) deceit;
    - (iii) misrepresentation; or
    - (iv) a violation of an insurance law or rule.
- (7)
  - (a) An order revoking a license under Subsection (4) or an agreement to surrender a license in lieu of administrative action may specify a time, not to exceed five years, within which the former licensee may not apply for a new license.
  - (b) If no time is specified in an order or agreement described in Subsection (7)(a), the former licensee may not apply for a new license for five years from the day on which the order or agreement is made without the express approval of the commissioner.
- (8) The commissioner shall promptly withhold, suspend, restrict, or reinstate the use of a license issued under this chapter if so ordered by a court.
- (9) The commissioner shall by rule prescribe the license renewal and reinstatement procedures in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.