

**Effective 5/3/2023**

**31A-31-110 Mandatory reporting of fraudulent insurance acts.**

- (1)
  - (a) A person shall report a fraudulent insurance act to the department if:
    - (i) 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 person other than the person making the report; and
    - (ii) the person is:
      - (A) an insurer; or
      - (B) in relation to the business of title insurance, an auditor that is employed by a title insurer.
  - (b) The report required by this Subsection (1) shall:
    - (i) be in writing;
    - (ii) be submitted through:
      - (A) the National Insurance Crime Bureau fraud reporting system;
      - (B) the NAIC's online fraud reporting system; or
      - (C) email using an email address established by the department for the purpose of submitting the report required by this Subsection (1);
    - (iii) provide information in detail relating to:
      - (A) the fraudulent insurance act; and
      - (B) the perpetrator of the fraudulent insurance act; and
    - (iv)
      - (A) state whether the person required to report under Subsection (1)(a) also reported the fraudulent insurance act in writing to:
        - (I) the attorney general;
        - (II) a state law enforcement agency;
        - (III) a criminal investigative department or agency of the United States;
        - (IV) a district attorney; or
        - (V) the prosecuting attorney of a municipality or county; and
      - (B) if the person reported the fraudulent insurance act as provided in Subsection (1)(b)(iv)(A), state the agency to which the person reported the fraudulent insurance act.
  - (c) A person required to submit a written report under this Subsection (1) shall submit the written report to the department by no later than 90 days from the day on which the person required to report the fraudulent insurance act has a good faith belief on the basis of a preponderance of the evidence that the fraudulent insurance act is being, will be, or has been committed.
- (2) An action brought under Section 31A-2-201, 31A-2-308, or 31A-31-109, for failure to comply with Subsection (1) shall be commenced within four years from the date on which a person described in Subsection (1):
  - (a) 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; and
  - (b) willfully fails to report the fraudulent insurance act.
- (3) The department may by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, provide a process by which a person described in Subsection (1)(a)(ii)(B) may comply with the requirements of Subsection (1) by reporting a fraudulent insurance act to the insurer with whom the person is employed, except that the rule shall provide that if the person reports the fraudulent insurance act to the insurer, the insurer is required to report the fraudulent insurance act to the department.

- (4) A person described in Subsection (1)(a)(ii) who in good faith makes a report under this section, in accordance with Section 31A-31-105, is immune from civil action, civil penalty, or damages for making that report.

Amended by Chapter 194, 2023 General Session