



UTAH STATE SENATE

319 STATE CAPITOL • SALT LAKE CITY, UTAH 84114 • (801) 538-1035 • FAX (801) 538-1414

February 20, 2004

Mr. President:

The Business and Labor Committee reports a favorable recommendation on **H.B. 171**, INSURANCE FRAUD AMENDMENTS, by Representative J. Ferrin, with the following amendments:

1. *Page 8, Line 233 through Page 9, Line 245*

House Committee Amendments

2-4-2004:

- 233 **31A-31-110.** Mandatory reporting of fraudulent title insurance acts -- Failure
234 to
235 report -- Criminal penalties.
236 (1) ~~[[A]]~~ **An auditor that is employed by a** ~~Ĥ [person]~~ **TITLE INSURER**
237 ~~ĥ [[having]]~~ **and that has** knowledge ~~Ĥ [or a reasonable belief]~~ ~~ĥ~~ that a
238 fraudulent insurance act is
239 being, will be, or has been committed related to title insurance shall report the fraudulent
240 act to
241 the commissioner in a writing that provides information in detail relating to:
242 (a) the fraudulent insurance act; and
243 (b) the perpetrator of the fraudulent insurance act.
244 (2) (a) Any ~~Ĥ [person]~~ ~~[[TITLE INSURER]]~~ ~~ĥ~~ **auditor** required to report
245 a fraudulent insurance act under
246 Subsection (1)
247 who willfully fails to comply with Subsection (1) is guilty of a class B misdemeanor.
248 (b) An action for failure to comply with Subsection (1) shall be commenced within

Bill Number



HB0171

Action Class



S

Action Code



SCRAMD

243 four years from the date on which the **H** [person] **auditor employed by the** **TITLE**
INSURER **h** **:**
244 (i) had knowledge of the fraudulent insurance act; and
245 (ii) willfully failed to report the fraudulent insurance act.

2. *Page 9, Lines 248 through 269:*

248 (1) A person commits a fraudulent insurance act if that person with intent to
defraud:

** * * Some lines not shown * * **

264 (e) knowingly employs, uses, or acts as a runner, as defined in Section 31A-31-102,
for

265 the purpose of committing a fraudulent insurance act;

266 (f) knowingly assists, abets, solicits, or conspires with another to commit a
fraudulent insurance

267 act; or

268 (g) knowingly supplies false or fraudulent material information in any document or
269 statement required by the Department of Insurance.

Respectfully,

Parley Hellewell
Committee Chair

Voting: 7-0-1

3 HB0171.SCI.WPD msteinagel/MBS PO/MBS 2/20/04 9:36 am

Bill Number



HB0171

Action Class



S

Action Code



SCRAMD