



# House of Representatives *State of Utah*

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February 8, 2007

Mr. Speaker:

The Business and Labor Committee recommends **H.B. 126**, REPORTING OF FRAUDULENT INSURANCE ACTS, by Representative D. Aagard, be replaced and reports a favorable recommendation on **1st Sub. H.B. 126**, REPORTING OF FRAUDULENT INSURANCE ACTS with the following amendments:

1. *Page 3, Lines 57 through 71:*

57           (1) (a) A person shall report a fraudulent insurance act to the department if:  
58           (i) the person has a good faith belief on the basis of a preponderance of the evidence  
59 that {~~an act that~~} a fraudulent insurance act is being, will be, or has been  
60 committed [related to title insurance shall report  
61 the fraudulent act to the commissioner in a writing that provides] {~~is a fraudulent~~  
insurance act} ;  
61 and

2. *Page 3, Lines 62 through 71*

*House Committee Amendments*

2-2-207:

62           (ii) the person is:  
63           {~~(A) an insurer;~~  
64 ~~(B) a producer;~~  
65 ~~(C) a limited line producer;~~  
66 ~~(D) a customer service representative;~~  
67 ~~(E) a consultant;~~  
68 ~~(F) a managing general agent;~~  
69 ~~(G)}~~ {~~(A) an insurance adjuster;~~} (A) an insurer; or  
70 {~~(H)}~~ - (B) in relation to the business of title insurance, an auditor that is  
employed by a title  
71 insurer.

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3. Page 4, Lines 98 through 104:

- 98 (3) The department ~~{ shall }~~ may by rule made in accordance with Title 63,  
Chapter 46a, Utah  
99 Administrative Rulemaking Act, provide a process by which ~~{ an insurer and an~~  
individual  
100 described in Subsection (1)(a)(ii) may comply with Subsection (1) by submitting a  
single report  
101 of an act described in Subsection (1)(a).} a person described in Subsection  
(1)(a)(ii) 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.  
102 (4) A person described in Subsection (1)(a)(ii) who in good faith makes a report  
under  
103 this section is immune from civil action, civil penalty, or damages for making that report in  
104 accordance with Section 31A-31-105.  
(5) This section does not apply to a fraudulent insurance act related to health  
insurance.

Respectfully,

Stephen D. Clark  
Committee Chair

Voting: 11-0-2

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