

1 **MOTOR VEHICLE INSURANCE AMENDMENTS**

2 2017 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Mike K. McKell**

5 Senate Sponsor: _____

7 **LONG TITLE**

8 **General Description:**

9 This bill modifies provisions related to unfair claim settlement practices.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ modifies the acts that are an unfair claim settlement practice;
- 13 ▶ enacts provisions that define unfair claim settlement practices for a motor vehicle
- 14 insurer;
- 15 ▶ provides a private right of action against a motor vehicle insurer that engages in an
- 16 unfair claim settlement practice;
- 17 ▶ addresses damages in an action against a motor vehicle insurer for engaging in an
- 18 unfair claim settlement practice;
- 19 ▶ requires a court to expedite proceedings in an action against a motor vehicle insurer
- 20 for engaging in an unfair claim settlement practice; and
- 21 ▶ makes technical changes.

22 **Money Appropriated in this Bill:**

23 None

24 **Other Special Clauses:**

25 None

26 **Utah Code Sections Affected:**

27 AMENDS:



28 31A-15-103, as last amended by Laws of Utah 2015, Chapter 238

29 31A-26-303, as last amended by Laws of Utah 1987, Chapter 91

30 53-3-109, as last amended by Laws of Utah 2016, Chapter 175

31 ENACTS:

32 31A-26-303.5, Utah Code Annotated 1953



34 *Be it enacted by the Legislature of the state of Utah:*

35 Section 1. Section 31A-15-103 is amended to read:

36 **31A-15-103. Surplus lines insurance -- Unauthorized insurers.**

37 (1) Notwithstanding Section 31A-15-102, a foreign insurer that has not obtained a
38 certificate of authority to do business in this state under Section 31A-14-202 may negotiate for
39 and make an insurance contract with a person in this state and on a risk located in this state,
40 subject to the limitations and requirements of this section.

41 (2) (a) For a contract made under this section, the insurer may, in this state:

- 42 (i) inspect the risks to be insured;
- 43 (ii) collect premiums;
- 44 (iii) adjust losses; and
- 45 (iv) do another act reasonably incidental to the contract.

46 (b) An act described in Subsection (2)(a) may be done through:

- 47 (i) an employee; or
- 48 (ii) an independent contractor.

49 (3) (a) Subsections (1) and (2) do not permit a person to solicit business in this state on
50 behalf of an insurer that has no certificate of authority.

51 (b) Insurance placed with a nonadmitted insurer shall be placed with a surplus lines
52 producer licensed under Chapter 23a, Insurance Marketing - Licensing Producers, Consultants,
53 and Reinsurance Intermediaries.

54 (c) The commissioner may by rule prescribe how a surplus lines producer may:

- 55 (i) pay or permit the payment, commission, or other remuneration on insurance placed
56 by the surplus lines producer under authority of the surplus lines producer's license to one
57 holding a license to act as an insurance producer; and

58 (ii) advertise the availability of the surplus lines producer's services in procuring, on

59 behalf of a person seeking insurance, a contract with a nonadmitted insurer.

60 (4) For a contract made under this section, a nonadmitted insurer is subject to Sections
61 [31A-23a-402](#), [31A-23a-402.5](#), and [31A-23a-403](#) and the rules adopted under those sections.

62 (5) A nonadmitted insurer may not issue workers' compensation insurance coverage to
63 an employer located in this state, except for stop loss coverage issued to an employer securing
64 workers' compensation under Subsection [34A-2-201\(3\)](#).

65 (6) (a) The commissioner may by rule prohibit making a contract under Subsection (1)
66 for a specified class of insurance if authorized insurers provide an established market for the
67 class in this state that is adequate and reasonably competitive.

68 (b) The commissioner may by rule place a restriction or a limitation on and create
69 special procedures for making a contract under Subsection (1) for a specified class of insurance
70 if:

71 (i) there have been abuses of placements in the class; or

72 (ii) the policyholders in the class, because of limited financial resources, business
73 experience, or knowledge, cannot protect their own interests adequately.

74 (c) The commissioner may prohibit an individual insurer from making a contract under
75 Subsection (1) and all insurance producers from dealing with the insurer if:

76 (i) the insurer willfully violates:

77 (A) this section;

78 (B) Section [31A-4-102](#), [31A-23a-402](#), [31A-23a-402.5](#), [~~or~~] [31A-26-303](#), or

79 [31A-26-303.5](#); or

80 (C) a rule adopted under a section listed in Subsection (6)(c)(i)(A) or (B);

81 (ii) the insurer fails to pay the fees and taxes specified under Section [31A-3-301](#); or

82 (iii) the commissioner has reason to believe that the insurer is:

83 (A) in an unsound condition;

84 (B) operated in a fraudulent, dishonest, or incompetent manner; or

85 (C) in violation of the law of its domicile.

86 (d) (i) The commissioner may issue one or more lists of unauthorized foreign insurers

87 whose:

88 (A) solidity the commissioner doubts; or

89 (B) practices the commissioner considers objectionable.

90 (ii) The commissioner shall issue one or more lists of unauthorized foreign insurers the
91 commissioner considers to be reliable and solid.

92 (iii) In addition to the lists described in Subsections (6)(d)(i) and (ii), the commissioner
93 may issue other relevant evaluations of unauthorized insurers.

94 (iv) An action may not lie against the commissioner or an employee of the department
95 for a written or oral communication made in, or in connection with the issuance of, a list or
96 evaluation described in this Subsection (6)(d).

97 (e) A foreign unauthorized insurer shall be listed on the commissioner's "reliable" list
98 only if the unauthorized insurer:

99 (i) delivers a request to the commissioner to be on the list;

100 (ii) establishes satisfactory evidence of good reputation and financial integrity;

101 (iii) (A) delivers to the commissioner a copy of the unauthorized insurer's current
102 annual statement certified by the insurer; and

103 (B) continues each subsequent year to file its annual statements with the commissioner
104 within 60 days of the day on which it is filed with the insurance regulatory authority where the
105 insurer is domiciled;

106 (iv) (A) (I) is in substantial compliance with the solvency standards in Chapter 17, Part
107 6, Risk-Based Capital, or maintains capital and surplus of at least \$15,000,000, whichever is
108 greater; and

109 (II) maintains in the United States an irrevocable trust fund in either a national bank or
110 a member of the Federal Reserve System, or maintains a deposit meeting the statutory deposit
111 requirements for insurers in the state where it is made, which trust fund or deposit:

112 (Aa) shall be in an amount not less than \$2,500,000 for the protection of all of the
113 insurer's policyholders in the United States;

114 (Bb) may consist of cash, securities, or investments of substantially the same character
115 and quality as those which are "qualified assets" under Section 31A-17-201; and

116 (Cc) may include as part of the trust arrangement a letter of credit that qualifies as
117 acceptable security under Section 31A-17-404.1; or

118 (B) in the case of any "Lloyd's" or other similar incorporated or unincorporated group
119 of alien individual insurers, maintains a trust fund that:

120 (I) shall be in an amount not less than \$50,000,000 as security to its full amount for all

121 policyholders and creditors in the United States of each member of the group;

122 (II) may consist of cash, securities, or investments of substantially the same character
123 and quality as those which are "qualified assets" under Section 31A-17-201; and

124 (III) may include as part of this trust arrangement a letter of credit that qualifies as
125 acceptable security under Section 31A-17-404.1; and

126 (v) for an alien insurer not domiciled in the United States or a territory of the United
127 States, is listed on the Quarterly Listing of Alien Insurers maintained by the National
128 Association of Insurance Commissioners International Insurers Department.

129 (7) (a) Subject to Subsection (7)(b), a surplus lines producer may not, either knowingly
130 or without reasonable investigation of the financial condition and general reputation of the
131 insurer, place insurance under this section with:

- 132 (i) a financially unsound insurer;
- 133 (ii) an insurer engaging in unfair practices; or
- 134 (iii) an otherwise substandard insurer.

135 (b) A surplus line producer may place insurance under this section with an insurer
136 described in Subsection (7)(a) if the surplus line producer:

- 137 (i) gives the applicant notice in writing of the known deficiencies of the insurer or the
138 limitations on the surplus line producer's investigation; and
- 139 (ii) explains the need to place the business with that insurer.

140 (c) A copy of the notice described in Subsection (7)(b) shall be kept in the office of the
141 surplus line producer for at least five years.

142 (d) To be financially sound, an insurer shall satisfy standards that are comparable to
143 those applied under the laws of this state to an authorized insurer.

144 (e) An insurer on the "doubtful or objectionable" list under Subsection (6)(d) or an
145 insurer not on the commissioner's "reliable" list under Subsection (6)(e) is presumed
146 substandard.

147 (8) (a) A policy issued under this section shall:

- 148 (i) include a description of the subject of the insurance; and
- 149 (ii) indicate:
 - 150 (A) the coverage, conditions, and term of the insurance;
 - 151 (B) the premium charged the policyholder;

- 152 (C) the premium taxes to be collected from the policyholder; and
- 153 (D) the name and address of the policyholder and insurer.
- 154 (b) If the direct risk is assumed by more than one insurer, the policy shall state:
- 155 (i) the names and addresses of all insurers; and
- 156 (ii) the portion of the entire direct risk each assumes.
- 157 (c) A policy issued under this section shall have attached or affixed to the policy the
- 158 following statement: "The insurer issuing this policy does not hold a certificate of authority to
- 159 do business in this state and thus is not fully subject to regulation by the Utah insurance
- 160 commissioner. This policy receives no protection from any of the guaranty associations created
- 161 under Title 31A, Chapter 28, Guaranty Associations."
- 162 (9) Upon placing a new or renewal coverage under this section, a surplus lines
- 163 producer shall promptly deliver to the policyholder or the policyholder's agent evidence of the
- 164 insurance consisting either of:
- 165 (a) the policy as issued by the insurer; or
- 166 (b) if the policy is not available upon placing the coverage, a certificate, cover note, or
- 167 other confirmation of insurance complying with Subsection (8).
- 168 (10) If the commissioner finds it necessary to protect the interests of insureds and the
- 169 public in this state, the commissioner may by rule subject a policy issued under this section to
- 170 as much of the regulation provided by this title as is required for a comparable policy written
- 171 by an authorized foreign insurer.
- 172 (11) (a) A surplus lines transaction in this state shall be examined to determine whether
- 173 it complies with:
- 174 (i) the surplus lines tax levied under Chapter 3, Department Funding, Fees, and Taxes;
- 175 (ii) the solicitation limitations of Subsection (3);
- 176 (iii) the requirement of Subsection (3) that placement be through a surplus lines
- 177 producer;
- 178 (iv) placement limitations imposed under Subsections (6)(a), (b), and (c); and
- 179 (v) the policy form requirements of Subsections (8) and (10).
- 180 (b) The examination described in Subsection (11)(a) shall take place as soon as
- 181 practicable after the transaction. The surplus lines producer shall submit to the examiner
- 182 information necessary to conduct the examination within a period specified by rule.

183 (c) (i) The examination described in Subsection (11)(a) may be conducted by the
184 commissioner or by an advisory organization created under Section 31A-15-111 and authorized
185 by the commissioner to conduct these examinations. The commissioner is not required to
186 authorize an additional advisory organization to conduct an examination under this Subsection
187 (11)(c).

188 (ii) The commissioner's authorization of one or more advisory organizations to act as
189 examiners under this Subsection (11)(c) shall be:

190 (A) by rule; and

191 (B) evidenced by a contract, on a form provided by the commissioner, between the
192 authorized advisory organization and the department.

193 (d) (i) (A) A person conducting the examination described in Subsection (11)(a) shall
194 collect a stamping fee of an amount not to exceed 1% of the policy premium payable in
195 connection with the transaction.

196 (B) A stamping fee collected by the commissioner shall be deposited in the General
197 Fund.

198 (C) The commissioner shall establish a stamping fee by rule.

199 (ii) A stamping fee collected by an advisory organization is the property of the advisory
200 organization to be used in paying the expenses of the advisory organization.

201 (iii) Liability for paying a stamping fee is as required under Subsection 31A-3-303(1)
202 for taxes imposed under Section 31A-3-301.

203 (iv) The commissioner shall adopt a rule dealing with the payment of stamping fees. If
204 a stamping fee is not paid when due, the commissioner or advisory organization may impose a
205 penalty of 25% of the stamping fee due, plus 1-1/2% per month from the time of default until
206 full payment of the stamping fee.

207 (v) A stamping fee relative to a policy covering a risk located partially in this state
208 shall be allocated in the same manner as under Subsection 31A-3-303(4).

209 (e) The commissioner, representatives of the department, advisory organizations,
210 representatives and members of advisory organizations, authorized insurers, and surplus lines
211 insurers are not liable for damages on account of statements, comments, or recommendations
212 made in good faith in connection with their duties under this Subsection (11)(e) or under
213 Section 31A-15-111.

214 (f) An examination conducted under this Subsection (11) and a document or materials
215 related to the examination are confidential.

216 (12) (a) For a surplus lines insurance transaction in the state entered into on or after
217 May 13, 2014, if an audit is required by the surplus lines insurance policy, a surplus lines
218 insurer:

219 (i) shall exercise due diligence to initiate an audit of an insured, to determine whether
220 additional premium is owed by the insured, by no later than six months after the expiration of
221 the term for which premium is paid; and

222 (ii) may not audit an insured more than three years after the surplus lines insurance
223 policy expires.

224 (b) A surplus lines insurer that does not comply with this Subsection (12) may not
225 charge or collect additional premium in excess of the premium agreed to under the surplus
226 lines insurance policy.

227 Section 2. Section ~~31A-26-303~~ is amended to read:

228 **31A-26-303. Unfair claim settlement practices.**

229 (1) No insurer or person representing an insurer may engage in any unfair claim
230 settlement practice under Subsections (2) ~~[(3), and (4)]~~ and (3).

231 (2) Each of the following acts is an unfair claim settlement practice:

232 (a) knowingly misrepresenting material facts or the contents of insurance policy
233 provisions at issue in connection with a claim under an insurance contract; however, this
234 provision does not include the failure to disclose information;

235 (b) attempting to use a policy application which was altered by the insurer without
236 notice to, or knowledge, or consent of, the insured as the basis for settling or refusing to settle a
237 claim; ~~[or]~~

238 (c) failing to settle a claim promptly under one portion of the insurance policy
239 coverage, where liability and the amount of loss are reasonably clear, in order to influence
240 settlements under other portions of the insurance policy coverage, but this Subsection (2)(c)
241 applies only to claims made by persons in direct privity of contract with the insurer~~[-];~~

242 ~~[(3) Each of the following is an unfair claim settlement practice if committed or~~
243 ~~performed with such frequency as to indicate a general business practice by an insurer or~~
244 ~~persons representing an insurer:]~~

245 ~~[(a)]~~ (d) failing to acknowledge and act promptly upon communications about claims
246 under insurance policies;

247 ~~[(b)]~~ (e) failing to adopt and implement reasonable standards for the prompt
248 investigation and processing of claims under insurance policies;

249 ~~[(c)]~~ (f) compelling insureds to institute litigation to recover amounts due under an
250 insurance policy by offering substantially less than the amounts ultimately recovered in actions
251 brought by those insureds when the amounts claimed were reasonably near to the amounts
252 recovered;

253 ~~[(d)]~~ (g) failing, after payment of a claim, to inform insureds or beneficiaries, upon
254 request by them, of the coverage under which payment was made;

255 ~~[(e)]~~ (h) failing to promptly provide to the insured a reasonable explanation of the basis
256 for denial of a claim or for the offer of a compromise settlement;

257 ~~[(f)]~~ (i) appealing from substantially all arbitration awards in favor of insureds for the
258 purpose of compelling them to accept settlements or compromises for less than the amount
259 awarded in arbitration;

260 ~~[(g)]~~ (j) delaying the investigation or payment of claims by requiring an insured,
261 claimant, or the physician of either to submit a preliminary claim report and then requiring the
262 subsequent submission of formal proof of loss forms which contain substantially the same
263 information; or

264 ~~[(h)]~~ (k) not attempting in good faith to effectuate a prompt, fair, and equitable
265 settlement of claims in which liability is reasonably clear.

266 ~~[(4)]~~ (3) The commissioner may define by rule, acts or general business practices
267 which are unfair claim settlement practices, after a finding that those practices are misleading,
268 deceptive, unfairly discriminatory, overreaching, or an unreasonable restraint on competition.

269 ~~[(5)]~~ (4) ~~[This]~~ Except as provided in Section 31A-26-303.5, this section does not
270 create any private cause of action.

271 Section 3. Section 31A-26-303.5 is enacted to read:

272 **31A-26-303.5. Motor vehicle insurer unfair claim settlement practices.**

273 (1) Each of the following acts committed by a motor vehicle insurer is an unfair claim
274 settlement practice:

275 (a) unless otherwise agreed to by the claimant or provided for in the governing

276 insurance policy, offering a cash settlement amount that is less than the amount that the insurer
277 would be charged to repair the motor vehicle;

278 (b) refusing to settle a claim based solely upon whether a law enforcement officer
279 issues a traffic citation in connection with the event that gave rise to the claim;

280 (c) failing to disclose all coverages for which the insurer requires an application for
281 benefits;

282 (d) failing to disclose all coverages available to a claimant;

283 (e) requiring a claimant to use only the insurer's claim service to perfect a claim;

284 (f) upon request by a claimant, failing to give the claimant the name and address of a
285 salvage vehicle buyer licensed under Title 41, Chapter 3, Part 2, Licensing, that provides a
286 salvage quote for an amount that the insurer deducts from a total loss settlement with the
287 claimant;

288 (g) refusing to disclose a claimant's policy limits upon request by the claimant or the
289 claimant's attorney;

290 (h) using a release on the back of a check or draft that requires a claimant to release the
291 insurer from obligation or further claims in order to process a current claim when the insurer
292 knows or reasonably should know that the insurer will have future liability related to the event
293 that gave rise to the claim;

294 (i) intentionally offering less money to a claimant than the reasonable value of the
295 claim;

296 (j) refusing to offer to pay a claim based upon the comparative negligence of another
297 person without a reasonable basis; or

298 (k) imputing the negligence of a bailee to the owner of the vehicle.

299 (2) (a) A motor vehicle insurer that engages in an unfair claim settlement practice
300 described in Subsection (1) or Section [31A-26-303](#) is liable to the insured for the greater of:

301 (i) \$1,000 per violation; or

302 (ii) actual damages up to \$25,000.

303 (b) A claimant may file an action in district court to enforce the provisions of
304 Subsection (2)(a).

305 (c) In an action filed under this Subsection (2), the court shall expedite the proceedings
306 related to each cause of action under this section.

307 (3) The provisions of this section apply to each motor vehicle insurer, including a
308 third-party motor vehicle insurer.

309 (4) The provisions of this section do not affect any other cause of action available to a
310 claimant against a motor vehicle insurer, including any contract-based claim.

311 Section 4. Section **53-3-109** is amended to read:

312 **53-3-109. Records -- Access -- Fees -- Rulemaking.**

313 (1) (a) Except as provided in this section, all records of the division shall be classified
314 and disclosed in accordance with Title 63G, Chapter 2, Government Records Access and
315 Management Act.

316 (b) The division may only disclose personal identifying information:

317 (i) when the division determines it is in the interest of the public safety to disclose the
318 information; and

319 (ii) in accordance with the federal Driver's Privacy Protection Act of 1994, 18 U.S.C.
320 Chapter 123.

321 (c) The division may disclose personal identifying information:

322 (i) to a licensed private investigator holding a valid agency license, with a legitimate
323 business need;

324 (ii) to an insurer, insurance support organization, or a self-insured entity, or its agents,
325 employees, or contractors that issues any motor vehicle insurance under Title 31A, Chapter 22,
326 Part 3, Motor Vehicle Insurance, for use in connection with claims investigation activities,
327 antifraud activities, rating, or underwriting for any person issued a license certificate under this
328 chapter; or

329 (iii) to a depository institution as defined in Section **7-1-103** for use in accordance with
330 the federal Driver's Privacy Protection Act of 1994, 18 U.S.C. Chapter 123.

331 (2) (a) A person who receives personal identifying information shall be advised by the
332 division that the person may not:

333 (i) disclose the personal identifying information from that record to any other person;
334 or

335 (ii) use the personal identifying information from that record for advertising or
336 solicitation purposes.

337 (b) Any use of personal identifying information by an insurer or insurance support

338 organization, or by a self-insured entity or its agents, employees, or contractors not authorized
339 by Subsection (1)(c)(ii) is:

- 340 (i) an unfair marketing practice under Section 31A-23a-402; or
- 341 (ii) an unfair claim settlement practice under ~~Subsection~~ Section 31A-26-303~~[(3)]~~.

342 (3) (a) Notwithstanding the provisions of Subsection (1)(b), the division or its designee
343 may disclose portions of a driving record, in accordance with this Subsection (3), to:

- 344 (i) an insurer as defined under Section 31A-1-301, or a designee of an insurer, for
345 purposes of assessing driving risk on the insurer's current motor vehicle insurance
346 policyholders;

- 347 (ii) an employer or a designee of an employer, for purposes of monitoring the driving
348 record and status of current employees who drive as a responsibility of the employee's
349 employment if the requester demonstrates that the requester has obtained the written consent of
350 the individual to whom the information pertains; and

- 351 (iii) an employer or the employer's agents to obtain or verify information relating to a
352 holder of a commercial driver license that is required under 49 U.S.C. Chapter 313.

353 (b) A disclosure under Subsection (3)(a)(i) shall:

- 354 (i) include the licensed driver's name, driver license number, date of birth, and an
355 indication of whether the driver has had a moving traffic violation that is a reportable violation,
356 as defined under Section 53-3-102 during the previous month;

- 357 (ii) be limited to the records of drivers who, at the time of the disclosure, are covered
358 under a motor vehicle insurance policy of the insurer; and

- 359 (iii) be made under a contract with the insurer or a designee of an insurer.

360 (c) A disclosure under Subsection (3)(a)(ii) or (iii) shall:

- 361 (i) include the licensed driver's name, driver license number, date of birth, and an
362 indication of whether the driver has had a moving traffic violation that is a reportable violation,
363 as defined under Section 53-3-102, during the previous month;

- 364 (ii) be limited to the records of a current employee of an employer;

- 365 (iii) be made under a contract with the employer or a designee of an employer; and

- 366 (iv) include an indication of whether the driver has had a change reflected in the
367 driver's:

- 368 (A) driving status;

- 369 (B) license class;
- 370 (C) medical self-certification status; or
- 371 (D) medical examiner's certificate under 49 C.F.R. Sec. 391.45.
- 372 (d) The contract under Subsection (3)(b)(iii) or (c)(iii) shall specify:
- 373 (i) the criteria for searching and compiling the driving records being requested;
- 374 (ii) the frequency of the disclosures;
- 375 (iii) the format of the disclosures, which may be in bulk electronic form; and
- 376 (iv) a reasonable charge for the driving record disclosures under this Subsection (3).
- 377 (4) The division may:
- 378 (a) collect fees in accordance with Section 53-3-105 for searching and compiling its
- 379 files or furnishing a report on the driving record of a person;
- 380 (b) prepare under the seal of the division and deliver upon request, a certified copy of
- 381 any record of the division, and charge a fee under Section 63J-1-504 for each document
- 382 authenticated; and
- 383 (c) charge reasonable fees established in accordance with the procedures and
- 384 requirements of Section 63J-1-504 for disclosing personal identifying information under
- 385 Subsection (1)(c).
- 386 (5) Each certified copy of a driving record furnished in accordance with this section is
- 387 admissible in any court proceeding in the same manner as the original.
- 388 (6) (a) A driving record furnished under this section may only report on the driving
- 389 record of a person for a period of 10 years.
- 390 (b) Subsection (6)(a) does not apply to court or law enforcement reports, reports of
- 391 commercial driver license violations, or reports for commercial driver license holders.
- 392 (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 393 division may make rules to designate:
- 394 (a) what information shall be included in a report on the driving record of a person;
- 395 (b) the form of a report or copy of the report which may include electronic format;
- 396 (c) the form of a certified copy, as required under Section 53-3-216, which may include
- 397 electronic format;
- 398 (d) the form of a signature required under this chapter which may include electronic
- 399 format;

400 (e) the form of written request to the division required under this chapter which may
401 include electronic format;

402 (f) the procedures, requirements, and formats for disclosing personal identifying
403 information under Subsection (1)(c); and

404 (g) the procedures, requirements, and formats necessary for the implementation of
405 Subsection (3).

406 (8) (a) It is a class B misdemeanor for a person to knowingly or intentionally access,
407 use, disclose, or disseminate a record created or maintained by the division or any information
408 contained in a record created or maintained by the division for a purpose prohibited or not
409 permitted by statute, rule, regulation, or policy of a governmental entity.

410 (b) A person who discovers or becomes aware of any unauthorized use of records
411 created or maintained by the division shall inform the commissioner and the division director
412 of the unauthorized use.

Legislative Review Note
Office of Legislative Research and General Counsel