

- 3562 (i) substantially in excess of the needs of the person; or  
3563 (ii) of a quality that fails to meet professionally recognized standards;  
3564 (c) knowingly accepts a benefit from the proceeds derived from a fraudulent insurance  
3565 act; or  
3566 (d) assists, abets, solicits, or conspires with another to commit a fraudulent insurance  
3567 act.

3568 (3) An insurer commits a fraudulent insurance act if that insurer with intent to deceive  
3569 or defraud:

3570 (a) knowingly withholds information or provides false or misleading information with  
3571 respect to an application, coverage, benefits, or claims under a policy or certificate;

3572 (b) assists, abets, solicits, or conspires with another to commit a fraudulent insurance  
3573 act;

3574 (c) knowingly accepts a benefit from the proceeds derived from a fraudulent insurance  
3575 act; or

3576 (d) knowingly supplies false or fraudulent material information in any document or  
3577 statement required by the department.

3578 (4) An insurer or service provider is not liable for any fraudulent insurance act  
3579 committed by an employee without the authority of the insurer or service provider unless the  
3580 insurer or service provider knew or should have known of the fraudulent insurance act.

3581 Section 36. Section **31A-31-107** is amended to read:

3582 **31A-31-107. Workers' compensation insurance fraud.**

3583 (1) In any action involving workers' compensation insurance, Section 34A-2-110  
3584 supersedes this chapter.

3585 (2) Nothing in this section prohibits the department from investigating and pursuing  
3586 civil or criminal penalties in accordance with Section 31A-31-109 and Title 34A, Utah Labor  
3587 Code, for violations of Section 34A-2-110.

3588 Section 37. Section **31A-35-405** is amended to read:

3589 **31A-35-405. Issuance of license -- Denial -- Right of appeal.**

3590 (1) After the commissioner receives a complete application, fee, and any additional  
3591 information in accordance with Section 31A-35-401, the board shall determine whether the  
3592 applicant meets the requirements for issuance of a license under this chapter.

~~[(1) Upon a determination by the board that a person applying for a bail bond agency license]~~ (2) (a) If the board determines that the applicant meets the requirements for issuance of a license under this chapter, the commissioner shall issue to that person a bail bond agency license.

(b) If the board determines that the applicant does not meet the requirements for issuance of a license under this chapter, the commissioner shall make a final determination as to whether to issue a license under this chapter.

~~[(2)]~~ (3) (a) If the commissioner denies an application for a bail bond agency license under this chapter, the commissioner shall provide prompt written notification ~~[to the person applying for licensure:]~~ of the denial by commencing an informal adjudicative proceeding in accordance with Title 63G, Chapter 4, Administrative Procedures Act.

(b) In a proceeding described in Subsection (3)(a), the commissioner shall hold a hearing no later than 60 days after the day on which the commissioner receives a request for a hearing.

~~[(i) stating the grounds for denial; and]~~

~~[(ii) notifying the person applying for licensure as a bail bond agency that:]~~

~~[(A) the person is entitled to a hearing if that person wants to contest the denial; and]~~

~~[(B) if the person wants a hearing, the person shall submit the request in writing to the commissioner within 15 days after the issuance of the denial.]~~

~~[(b) The department shall schedule a hearing described in Subsection (2)(a) no later than 60 days after the commissioner's receipt of the request.]~~

~~[(c) The department shall hear the appeal, and may:]~~

~~[(i) return the case to the commissioner for reconsideration;]~~

~~[(ii) modify the commissioner's decision; or]~~

~~[(iii) reverse the commissioner's decision.]~~

~~[(3) A decision under this section is subject to review under Title 63G, Chapter 4, Administrative Procedures Act.]~~

Section 38. Section 31A-37-102 is amended to read:

### **31A-37-102. Definitions.**

As used in this chapter:

(1) (a) "Affiliated company" means a business entity that because of common