

M. GALE LEMMON #4363  
Assistant Attorney General  
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Attorney General  
Attorneys for Utah Insurance Department  
State Office Building, Room 3110  
Salt Lake City, UT 84114  
Telephone (801) 538-3872

**BEFORE THE INSURANCE COMMISSIONER  
OF THE STATE OF UTAH**

**COMPLAINANT:**

UTAH INSURANCE DEPARTMENT

**RESPONDENT:**

BANKERS FIDELITY LIFE INSURANCE CO  
P O BOX 105185  
ATLANTA GA 30348-5185

UT ID No. 1009

**NOTICE OF INFORMAL  
ADJUDICATIVE PROCEEDING  
AND ORDER**

DOCKET No. 2009-103 HL  
Enf. Case No. 2478

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The Utah Insurance Department has commenced this informal adjudicative proceeding pursuant to Utah Code Ann. §§ 31A-2-201 and 63G-4-201 and Utah Admin. Code R590-160. Based upon information contained in agency files or known to the Commissioner, the Commissioner makes the following:

## **FINDINGS OF FACT**

1. Respondent is an insurer authorized to do the business of insurance in the State of Utah holding Utah Identification number 1009.

2. Respondent failed to properly file the Annual Medicare Supplement Reports electronically via SERFF on or before May 31, 2009, as required by Utah Code Ann. §§ 31A-29-117, Utah Admin. Code R590-220-11, and Bulletin 2007-3. These reports are the Reporting of Multiple Policies Report as required by U.A.C. R590-146-22. The Annual Filing of Premium Rates report as required by U.A.C. R590-14(C).

3. Respondent was required, by a 2nd notice letter dated June 17, 2009, to file the Annual Medicare Supplement Reports electronically via SERFF on or before July 1, 2009.

4. Respondent was required, by a Final notice letter dated July 8, 2009, to file the Annual Medicare Supplement Reports electronically via SERFF on or before July 22, 2009.

5. As of the date of this Notice of Informal Adjudicative Proceeding and Order, no response has been received and the time for response and any extensions granted has expired.

Having entered his Findings of Fact, the Commissioner now enters his:

## **CONCLUSION OF LAW**

1. In failing to submit a timely response to an inquiry from the Commissioner, the Respondent violated Utah Code Annotated 31A-2-202(4).

Based upon the foregoing Findings of Fact and Conclusions of Law, the Commissioner now enters the following:

## **ORDER**

### **IT IS HEREBY ORDERED:**

1. Respondent shall pay an administrative forfeiture in the amount of \$750.00. Said forfeiture shall be paid no later than ten (10) days after the date this Order becomes final.

2. Respondent shall provide a substantive response to the Commissioner's inquiries to be received in the offices of the Utah Insurance Department no later than by the date this Order becomes final.

3. This Order shall become final fifteen (15) days after the date of mailing unless a written request for a hearing is received from the Respondent in the offices of the department prior to that date. A written request for a hearing shall be signed by the person making the request and shall state the basis for the relief requested.

## **NOTIFICATION**

If you request a hearing regarding this matter, the department will be represented by M. Gale Lemmon, Assistant Attorney General, State Office Building, Room 3110, Salt Lake City, Utah 84114, Telephone Number (801) 538-3872. Failure to request a hearing will be considered a failure to exhaust administrative remedies and will preclude any further administrative or judicial review or appeal of this matter.

You are further notified that a failure to obey an Order of the commissioner may subject you to further penalties, including forfeitures of up to \$5,000.00 per violation and the suspension or revocation of your license and the filing of an action to enforce this Order in District Court, which may impose forfeitures of up to \$10,000.00 per day for continued violation.

You are further notified that other jurisdictions in which you may be licensed may require that you report this action to them.

**Questions regarding this Adjudicative Proceeding should be directed to Brent Oscarson, at the Utah Insurance Department (801) 538-3195.**

DATED THIS 6<sup>th</sup> day of August, 2009.

D. KENT MICHIE  
INSURANCE COMMISSIONER



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MARK KLEINFELD, J.D.  
ADMINISTRATIVE LAW JUDGE  
Utah Insurance Department  
State Office Building, Room 3110  
Salt Lake City, Utah 84114  
Telephone (801) 538-3800



# State of Utah

## INSURANCE DEPARTMENT

D. Kent Michie  
Commissioner

Jon M. Huntsman, Jr.  
Governor

Gary R. Herbert  
Lieutenant Governor

June 17, 2009

BANKERS FIDELITY LIFE INSURANCE COMPANY  
P.O. BOX 105185  
ATLANTA GA 30348-5185

## 2<sup>nd</sup> Notice

RE: ELECTRONIC FILING OF MEDICARE SUPPLEMENT REPORTS AS REQUIRED BY UTAH  
ADMINISTRATIVE CODE RULE (U.A.C.) R590-146-22, R590-146-14(B), AND R50-146-14(C).

Effective July 1, 2007, all filers of forms, rates, and reports are required to submit all filings electronically. Commercial insurance companies were originally notified of this change via Bulletin 2007-3, which was published April 6, 2007 (see <http://www.insurance.utah.gov/docs/bulletins/2007-3.pdf>).

U.A.C. R590-220-11(c) "Annual Medicare Supplement Reports" requires Medicare Supplement carriers to file three Medicare Supplement related reports each year. All three of these reports are due May 31 of each calendar year. During 2007, your company reported \$2,876,812 in direct earned premium for Medicare Supplement business on the Utah Accident & Health Survey and appears to be a Medicare Supplement carrier operating in Utah.

U.A.C. R590-146-22 "Reporting of Multiple Policies" requires an issuer of Medicare Supplement policies to annually submit a report of multiple policies that the insurer has issued to a single insured. The report should list each insured with multiple policies or stating that no multiple policies were issued.

U.A.C. R590-14(B) "Refund or Credit Calculation" requires all carriers with Medicare supplement benefit plans to file the Medicare Supplement Refund Calculation Form and the Reporting Form for the Calculation of Benchmark Ratio Form.

U.A.C. R590-14(C) "Annual Filing of Premium Rates" requires an issuer of Medicare Supplement policies and certificates to annually file its rates, rating schedule and supporting documentation, including ratios of insured losses to earned premiums by policy duration.

As of the date of this mailing, the Utah Insurance Department does not have record in SERFF of a valid electronic filing of one (or more) of the required Medicare Supplement reports for your company. The due date for filing this report(s) was May 31, 2009. No extensions for filing this report have been granted and the report is past due.

| <b>Medicare Supplement Report</b>     | <b>Status in SERFF</b><br>(A date means the report is found in SERFF;<br>otherwise the report is missing and needs to be filed) |
|---------------------------------------|---|
| Refund/Benchmark Report               | <b>30-Mar-09</b>  |
| Annual Filing of Premium Rates Report | <b>Need to File</b>   |
| Multiple Policies Report              | <b>Need to File</b>   |

Utah Code Annotated (U.C.A.) § 31A-2-202 and U.A.C. R590-220-10 authorizes the commissioner to require this information promptly and in writing. You are hereby requested to submit the required Medicare Supplement report(s) as described previously (see above) electronically via SERFF by **no later than July 1, 2009**. Please note that the SERFF filing must be submitted as Filing Type Report and use TOI MS06.

Failure to respond to this request will subject your company to the enforcement penalties under U.C.A. § 31A-2-308. Those penalties include monetary forfeitures and/or other sanctions. If you have any questions regarding this notice, please contact Brent Oscarson via email at [boscarson@utah.gov](mailto:boscarson@utah.gov). If your company has filed this report already, please provide the SERFF tracking number with your response.

D. KENT MICHIE, Commissioner

  
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 TANJI NORTHRUP  
 Director, Health Insurance Division



Jon M. Huntsman, Jr.  
Governor

Gary R. Herbert  
Lieutenant Governor

# State of Utah

## INSURANCE DEPARTMENT

D. Kent Michie  
Commissioner

July 8, 2009

BANKERS FIDELITY LIFE INSURANCE COMPANY  
P.O. BOX 105185  
ATLANTA GA 30348-5185

### Final Notice

RE: ELECTRONIC FILING OF MEDICARE SUPPLEMENT REPORTS AS REQUIRED BY UTAH ADMINISTRATIVE CODE RULE (U.A.C.) R590-146-22, R590-146-14(B), AND R50-146-14(C).

Effective July 1, 2007, all filers of forms, rates, and reports are required to submit all filings electronically. Commercial insurance companies were originally notified of this change via Bulletin 2007-3, which was published April 6, 2007 (see <http://www.insurance.utah.gov/docs/bulletins/2007-3.pdf>).

U.A.C. R590-220-11(c) "Annual Medicare Supplement Reports" requires Medicare Supplement carriers to file three Medicare Supplement related reports each year. All three of three of these reports are due May 31 of each calendar year. During 2007, your company reported 1,547 members and \$2,876,812 in direct earned premium for Medicare Supplement business on the Utah Accident & Health Survey and appears to be a Medicare Supplement carrier operating in Utah.

U.A.C. R590-146-22 "Reporting of Multiple Policies" requires an issuer of Medicare Supplement policies to annually submit a report of multiple policies that the insurer has issued to a single insured. The report should list each insured with multiple policies or stating that no multiple policies were issued.

U.A.C. R590-14(B) "Refund or Credit Calculation" requires all carriers with Medicare supplement benefit plans to file the Medicare Supplement Refund Calculation Form and the Reporting Form for the Calculation of Benchmark Ratio Form.

U.A.C. R590-14(C) "Annual Filing of Premium Rates" requires an issuer of Medicare Supplement policies and certificates to annually file its rates, rating schedule and supporting documentation, including ratios of insured losses to earned premiums by policy duration.

As of the date of this mailing, the Utah Insurance Department does not have record in SERFF of a valid electronic filing of one (or more) of the required Medicare Supplement reports for your company. The due date for filing this report(s) was May 31, 2009. No extensions for filing this report have been granted and the report is past due.

| <b>Medicare Supplement Report</b>     | <b>Status in SERFF</b><br>(A date means the report is found in SERFF;<br>otherwise the report is missing and needs to be filed) |
|---------------------------------------|---|
| Refund/Benchmark Report               | <b>30-Mar-09</b>  |
| Annual Filing of Premium Rates Report | <b>Need to File</b>   |
| Multiple Policies Report              | <b>Need to File</b>   |

Utah Code Annotated (U.C.A.) § 31A-2-202 and U.A.C. R590-220-10 authorizes the commissioner to require this information promptly and in writing. You are hereby requested to submit the required Medicare Supplement report(s) as described previously (see above) electronically via SERFF by **no later than July 22, 2009**. Please note that the SERFF filing must be submitted as Filing Type Report and use TOI MS06.

Failure to respond to this request will subject the company to the enforcement penalties under U.C.A. § 31A-2-308. Those penalties include monetary forfeitures and/or other sanctions. If you have any questions regarding this notice, please contact Brent Oscarson via telephone at 801-538-3195 or via email at [boscarson@utah.gov](mailto:boscarson@utah.gov).

If your company has filed this report already, please provide the SERFF tracking number with your response. If you believe your company is exempt (e.g., policies issued in a state other than Utah), your company is still required to respond by informing the Utah Insurance Department of the company's status.

D. KENT MICHIE, Commissioner

  
 TANJI NORTHRUP  
 Director, Health Insurance Division

CERTIFICATE OF MAILING

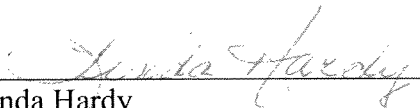
I do hereby certify that on this date I mailed, by regular mail, postage prepaid a true and correct copy of the attached:

NOTICE OF INFORMAL  
ADJUDICATIVE PROCEEDING  
AND ORDER

To the following:

Bankers Fidelity Life Ins. Co.  
P.O. Box 105185  
Atlanta, GA 30348-5185

DATED this 6<sup>th</sup> day of August, 2009.

  
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Linda Hardy Court Clerk  
Utah Department of Insurance  
State Office Building, Room 3110  
Salt Lake City, UT 84114-6901

**UTAH**  
**Invoice - Original**

Printed Date: August 06, 2009  
Invoice Date: August 06, 2009  
Balance Due: \$750.00  
Due Date: August 31, 2009  
Invoice ID: 421880  
NAIC ID: 61239  
Payor ID: 1009

BANKERS FIDELITY LIFE INSURANCE COMPANY  
PO BOX 105185  
ATLANTA GA 30348-5185

| <b>Item Description</b>           | <b>Amount</b>   |
|-----------------------------------|-----------------|
| 8/6/2009 Monetary Penalty Company | \$750.00        |
| E-Case 2478 Dcoket 2009-103 HL    |                 |
| <b>Original Amount Due</b>        | <b>\$750.00</b> |

**UTAH**  
**Invoice - Original**

Invoice Date: August 06, 2009  
Balance Due: \$750.00  
Due Date: August 31, 2009  
Invoice ID: 421880  
Payor ID: 1009  
Payor Name: BANKERS FIDELITY  
LIFE INSURANCE  
COMPANY

Make checks payable to: Utah Insurance Department

Send payment to:

Utah Insurance Department  
3110 State Office Building  
Salt Lake City, UT 84114-6901