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BEFORE THE INSURANCE COMMISSIONER  
OF THE STATE OF UTAH

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<p><b>COMPLAINANT:</b></p> <p>UTAH INSURANCE DEPARTMENT</p> <p><b>RESPONDENTS:</b></p> <p>AMERICAN FAMILY MUTUAL INSURANCE COMPANY 6000 American Parkway Madison, WI 53783-0001 NAIC ID 19275</p>	<p><b>STIPULATION AND ORDER</b></p> <p>Docket No. 2010-143 LC</p> <p>Enf. Case No. 2714</p>
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**STIPULATION**

1. Respondent, American Family Mutual Insurance Company is a licensed insurer in the State of Utah, NAIC ID 19275.
2. Respondent stipulates with the Complainant, Utah Insurance Department, as follows:
  - a. If a hearing were held, witnesses called by the Complainant could offer and introduce evidence that would support the Findings of Fact herein;
  - b. Respondent admits the Findings of Fact and Conclusions made therefrom;
  - c. Respondent stipulates to the summary entry of the Order herein which

shall be in lieu of other administrative proceedings by Complainant in this matter; and

- d. Respondent and Complainant have negotiated the terms of the Order entered herein and Respondent agrees to its entry and further agrees to be bound by all its terms.

3. Respondent is aware of its right to a hearing at which it may be represented by counsel, present evidence and cross-examine witnesses. Respondent has irrevocably waived its right to such hearing and to any appeal related thereto.

4. Respondent admits the jurisdiction of the State of Utah Insurance Commissioner as to all matters herein.

5. Respondent is acting herein free from any duress or coercion of any kind or nature, having been advised fully as to its rights set forth herein.

6. Respondent acknowledges that the issuance of this Order by the Commissioner is solely for purpose of disposition of the matter entitled herein.

DATED this 10<sup>th</sup> day of September, 2010.



AMERICAN FAMILY MUTUAL INSURANCE  
COMPANY

Scott Seymour, Vice President, Government Affairs  
and Compliance



UTAH INSURANCE DEPARTMENT

M. Gale Lemmon  
Assistant Attorney General

Based upon the foregoing Stipulation and information in the file, the Presiding Officer makes the following Findings of Fact:

**FINDINGS OF FACT**

1. During the period March 2010 to June 2010, Respondent American Family Insurance Company failed to appoint Matthew Newman, a licensed insurance agent under contract to Respondent, to act on their behalf in the State of Utah.
2. During this period, Matthew Newman conducted insurance business by marketing and selling insurance products for American Family Mutual Insurance in Utah. Respondent's records indicate that Newman wrote four policies in Utah during April 2010 and four policies during May 2010.
3. Respondent was appointed in June 2010 to act on Respondent's behalf in the State of Utah.

Based upon the foregoing Stipulation and Findings of Fact, the Presiding Officer enters the following Conclusions of Law:

**CONCLUSIONS OF LAW**

1. Utah Code Ann. § 31A-23a-115 (1) (a) states:

An insurer shall appoint an individual or agency with whom it has a contract as an insurance producer, limited line producer, or managing general agent to act on the insurer's behalf in order for the licensee to do business for the insurer in this state.

2. Utah Admin. Code R590-244-9 states:

- (1) Initial Appointments.
  - (a) An insurer shall electronically appoint an individual or agency

licensee with who the insurer has a contract. . . .

(d) To appoint a person, an insurer shall:

(ii) submit the electronic appointment to the commissioner no later than 15 days after the identified effective date of the appointment or receipt of the first insurance application, using the SIRCON or NIPR, except as stated in (iii) below.

3. By failing to appoint Matthew Newman until June 2010, Respondent violated the above statute and department rule.

4. An administrative forfeiture in the amount of \$3,000.00 is appropriate under the circumstances.

Based upon the foregoing Stipulation, Findings of Fact and Conclusions of Law, the Presiding Officer herewith enters the following Order:


**ORDER**

**IT IS HEREBY ORDERED:**

1. Respondent American Family Mutual Insurance Company is assessed a forfeiture of \$3,000.00 to be paid to the Utah Insurance Department within 30 days of issuance of this Order.

DATED this 27<sup>th</sup> day of September, 2010.

NEAL T. GOOCH  
Insurance Commissioner

  
MARK E. KLEINFELD  
Administrative Law Judge  
Utah Insurance Department

**NOTIFICATION**

Respondent is hereby notified that failure to abide by the terms of this Order may subject you to further penalties, including additional 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 the District Court, which may impose penalties 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

## CERTIFICATE OF MAILING

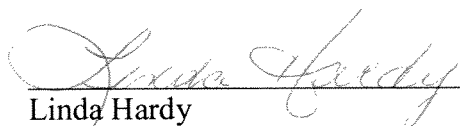
I do hereby certify that on this date I mailed, by regular mail, postage prepaid a true and correct copy of the attached:

### STIPULATION & ORDER

To the following:

American Family Mutual Insurance Company  
6000 American Parkway  
Madison, WI 53783-001

DATED this 28<sup>th</sup> day September, 2010

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

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

Printed Date: September 28, 2010  
Invoice Date: September 28, 2010  
Balance Due: \$3,000.00

Due Date: October *8, 2010*  
Invoice ID: 479354  
NAIC ID: 19275  
Payor ID: 2132

PAMELA STAMPEN  
AMERICAN FAMILY MUTUAL INSURANCE COMPANY  
6000 AMERICAN PARKWAY  
MADISON WI 53783

**Item Description**

9/28/2010 Monetary Penalty Company  
E-Case 2714 Docket 2010-143 LC

**Amount**

\$3,000.00

**Original Amount Due** \$3,000.00

**Payments Received**

**Balance Due**                     

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

Invoice Date: September 28, 2010  
Balance Due: \$3,000.00  
Due Date: October 22, 2010  
Invoice ID: 479354  
Payor ID: 2132  
Payor Name: AMERICAN FAMILY  
MUTUAL  
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