

RECEIVED
MAR 07 2011
INSURANCE DEPT.

M. GALE LEMMON #4363
Assistant Attorney General
MARK L. SHURTLEFF #4666
Attorney General
Attorneys for Utah Insurance Department
160 East 300 South, Fifth Floor
P. O. Box 140874
Salt Lake City, Utah 84114-0874
Telephone: (801) 367-0375

BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH

COMPLAINANT:

UTAH INSURANCE DEPARTMENT

RESPONDENTS:

PERRY INSURANCE AGENCY, INC.
License No. 92827

CINDY LEE PERRY, Owner
License No. 69999



STIPULATION AND ORDER

Docket No. 2011-015 PC

Enf. Case No. 2772

STIPULATION

1. Respondent, Perry Insurance Agency, Inc. is a corporation organized in the State of Utah and a licensed insurance agency in the State of Utah holding License No. 92827.

Respondent Cindy Lee Perry is a licensed resident individual insurance producer in the State of Utah holding License No. 69999, and is the president, director and manager of Respondent Perry Insurance Agency, Inc.

2. Respondents stipulate 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. Respondents admit the Findings of fact and Conclusions made therefrom;
- c. Respondents stipulate to the Summary entry of the Order herein which shall be in lieu of other administrative proceedings by Complainant in this matter; and
- d. Respondents and Complainant have negotiated the terms of the Order entered herein and Respondents agree to its entry and further agree to be bound by all its terms.

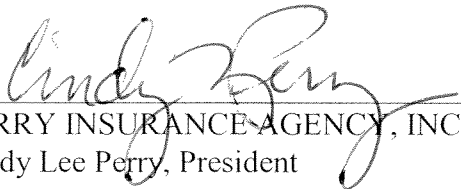
3. Respondents are aware of their right to a hearing at which they may be represented by counsel, present evidence and cross-examine witnesses. Respondents have irrevocably waived their right to such hearing and to any appeal related thereto.

4. Respondents admit the jurisdiction of the State of Utah Insurance Commissioner as to all matters herein.

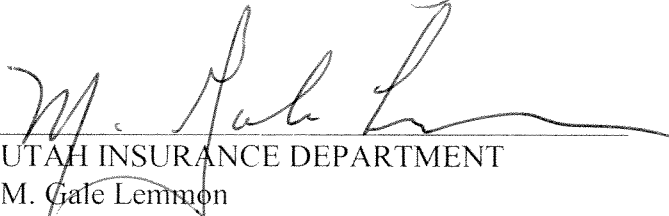
5. Respondents are acting herein free from any duress or coercion of any kind or nature, having been advised fully as to their rights set forth herein.

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

DATED this 3rd day of March, 2011.

 Pres
PERRY INSURANCE AGENCY, INC.
Cindy Lee Perry, President


CINDY LEE PERRY


UTAH INSURANCE DEPARTMENT
M. Gale Lemmon
Assistant Attorney General

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

FINDINGS OF FACT

1. On or about December 20, 2010, the Department received an anonymous complaint with two enclosures: (1) an attached Smith's grocery receipt coupon on which the Respondent was offering a "FREE \$5 SMITH'S GIFT CERTIFICATE WITH EVERY QUOTE" and (2) the October 2010 edition of "The Edge" magazine which contained an advertisement by Respondent offering "FREE \$5 DOLLAR GASOLINE CERTIFICATE WITH EVERY QUOTE."

3. On December 22, 2011, a Market Conduct investigator contacted and spoke with Respondent's owner, Cindy Perry, who acknowledged that she and her agency approved and placed the ads described above. Respondent also admitted that she and her agency offered to provide lunch to prospective clients if Respondent agency could not beat the current rates being paid. Perry stated she purchased a \$15 gift card to a local restaurant for one individual who utilized this offer.

4. Respondent was cooperative in the investigation and provided full disclosure. Respondent's rationale was that as Medicare marketing guidelines limit individual gifts to no more than \$15 in value, she was compliant in offering the incentives above to request a quote from her. When advised her action violated Department rules, she immediately pulled the advertisements. Respondent has agreed to a \$2,000 forfeiture and 12 months probation.

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

CONCLUSIONS OF LAW

1. Utah Administrative Rule R590-154-11 addresses inducements, gifts, and merchandise given in connection with solicitation or sale of insurance as follows:
 - A. A licensee may not give or offer to give any prizes, goods, wares, merchandise or item of value as an inducement to enter into any insurance or annuity contract or as an inducement to receive a quote, submit an application or in connection with any other solicitation for the sale of an insurance or annuity contract. However, anything with an acquisition cost of \$3.00 or less shall not be considered an inducement.
2. Respondent violated the above provision by offering \$5 grocery gift cards, \$5 gasoline gift cards and \$15 lunch gift cards as inducements to the public.
3. An administrative forfeiture in the amount of \$2,000.00 and probation for a period of 12 months is appropriate in this matter.

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. Respondents Perry Insurance Agency, Inc. and Cindy Lee Perry are jointly and severally assessed a forfeiture of \$2,000.00 to be paid to the Utah Department of Insurance

within 30 days of issuance of this Order.

2. Respondents' licenses are placed on probation for a period of 12 months commencing from the date of this order. The terms of probation are that Respondents shall have no further violations of the Utah Insurance Code, Department Rules, or any order of the Commissioner.

DATED this 8th day of March, 2011.

NEAL T. GOOCH
Insurance Commissioner



MARK E. KLEINFELD
Administrative Law Judge
Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, Utah 84114
Telephone: (801) 538-3800

NOTIFICATION

You are hereby notified that a failure to obey an Order of the Commissioner may subject you to further penalties, including forfeitures of up to \$5,000 per violation and the suspension or revocation of your license and the filing of an action in district court, which may impose penalties of up to \$10,000 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.