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UTAH STATE
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, UT 84114-0874
Telephone: 801.366.0375

BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH

COMPLAINANT:

UTAH INSURANCE DEPARTMENT

RESPONDENT:

SAM M. JACOBSON
4885 W. Village Dell Dr.
West Jordan, UT 84088
License No. 200435

STIPULATION AND ORDER

Docket No. 2011-059 LC

Enf. Case No. 2801

STIPULATION

1. Respondent, Sam M. Jacobson is a resident insurance producer in the State of Utah holding license No. 200435.
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 his right to a hearing at which he may be represented by counsel, present evidence and cross-examine witnesses. Respondent has irrevocably waived his 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 his 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 21st day of April, 2011.



SAM M JACOBSON



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. On or about January 12, 2011, the department was notified by Allstate Insurance Company that they terminated the Respondent for cause, and the department initiated and investigation into the matter.

2. The investigator contacted Allstate's HR Department and was provided an internal "Summary Memo" dated October 14, 2010^{mse} which summarized a company investigation and audit of Respondent.

3. Respondent was terminated for altering proof of prior insurance on insurance applications to give the insured a lower premium and thus increasing the likelihood that Respondent would make the sale.

4. On January 25, 2011 the department investigator made contact with Respondent who then admitted that he had made false proof of prior insurance entries on several insurance applications. In signed correspondence to the department dated January 27, 2011, Respondent again confirmed he committed these acts.

5. Allstate provided documentation the investigator showing that Respondent profited by \$4,442.45 in commissions on the policies for which the applications were falsified.

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

CONCLUSIONS OF LAW

Applicable Statutes & Rules:

1. Utah Code Ann. § 31A-23a-107, Character Requirements, states in part:

(2) if a natural person, the applicant is competent and trustworthy; or, if the applicant is an agency, all the partners, directors, or principal officers or persons having comparable powers are trustworthy, and that it will transact business in such a way that all acts that may only be performed by a licensed producer, limited line producer, customer service representative, consultant, managing general agent, or reinsurance intermediary are performed exclusively by natural persons who are licensed under this chapter to transact that type of business and designated on the agency's license;. . .

2. Utah Code Ann. § 31A-23a-402(1)(a)(i), Unfair Marketing Practices, states in part:

(1) (a) (i) Any of the following may not make or cause to be made any communication that contains false or misleading information, relating to an insurance product or contract, any insurer, or any licensee under this title, including information that is false or misleading because it is incomplete. . . .

3. Respondent violated the Utah Code Ann. § 31A-23a-402(1)(a)(I) by creating false proof of prior insurance on applications for insurance. Respondent's actions also bring into question his qualifications to hold a license under Utah Code Ann. § 31A-23a-107(2).

4. An administrative forfeiture in the amount of \$3,000.00 plus two times the profit gained \$8,884.50 is appropriate under Utah Code Ann. § 31A-2-308. Probation for a period of 24 months is also appropriate under Utah Code Ann. § 31A-23a-112.

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 Sam M. Jacobson is hereby assessed an administrative forfeiture in the

total amount of twice the amount of the profit gained from the violations of the Utah Insurance Code, an amount totaling \$8,884.50, to be paid within 30 days of the date of this Order. An amount of \$4,442.25 of this forfeiture is hereby suspended pending completion of the probation imposed herein

2. Respondent is further assessed an additional administrative forfeiture in the amount of \$3,000.00, to be paid within 20 days of the date of this Order.

3. Respondent's license is placed on probation for a period of 24 months. The terms of probation are:

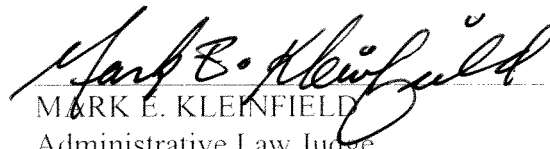
a. Respondent shall complete three hours of Ethics CE within 12 months of this Order in addition to the continuing education requirements required for renewal of his license;

b. Respondent shall pay the portion of the forfeitures assessed herein that are not suspended, totaling \$7,442.25 in a timely manner.

c. Respondent shall have no further violations of the Utah Insurance Code, Department Rules, or any order of the Commissioner.

DATED this 26th day of April, 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