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BEFORE THE INSURANCE COMMISSIONER
 OF THE STATE OF UTAH

COMPLAINANT:

UTAH INSURANCE DEPARTMENT

RESPONDENT:

DYNAMIC INSURANCE AGENCY
 547 W. Columbia Lane
 Provo, UT 84604
 License No. 97892

STIPULATION AND ORDER

Docket No. 2011-142 LC

Enf. Case No. 2876

STIPULATION

1. Respondent, Dynamic Insurance Agency is a resident agency in the State of Utah holding license number 97892.
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.

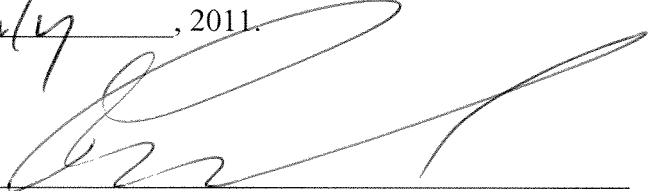
3. Respondent is aware of its right to a hearing at which it may be represented by counsel, present evidence and cross-examine witnesses. Respondent has irrevocably waived its right to such hearing and to any appeal related thereto.

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

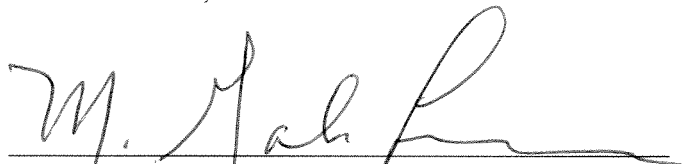
5. Respondent is acting herein free from any duress or coercion of any kind or nature, having been advised fully as to its rights set forth herein.

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 12th day of July, 2011.



DYNAMIC INSURANCE AGENCY
Pedro N. Mora, Owner



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. Respondent's owner, Pedro N. Mora, owns three insurance agencies, located in Arizona, and in Salt Lake City and Provo, Utah.

2. On March 3, 2010 two Department investigators visited Respondent's Provo office. They were greeted by Celia Ortiz who was asked if she could sell an insurance policy. Ms. Ortiz stated that she could.

3. The Department investigators then learned from Ms. Ortiz that she was not a licensed producer or a licensed customer service representative. Ms. Ortiz was the only employee in the office and stated that Mr. Mora, the owner, was working from his office in Arizona. Ms. Ortiz admitted that she should have been licensed.

4. A request for an explanation of how the agency was operated was made to the Respondent's owner, Pedro N. Mora. On March 9, 2010, the Mr. Mora clarified that both Utah offices were operating without licensed producers some of the time. He identified Maria Gonzalez and Celia Ortiz as non-licensed producers who were operating the two Utah agencies while he was out of town. He stated that he used instant messaging to stay in constant contact with his agency employees.

5. Respondent accepted responsibility and thereafter took remedial action, making sure office staff were properly licensed. Respondent is now compliant with Utah law.

6. On May 19, 2010, Maria Gonzalez passed the Utah insurance exam and became licensed to sell insurance June 1, 2010.

7. On November 11, 2010, Celia Ortiz passed the Utah insurance exam and became

licensed to sell insurance November 29, 2010.

8. On June 2, 2011, Respondent agreed to an administrative forfeiture of \$9,000.00 representing \$4,500.00 per agency for using non-licensed producers. Respondent requested that the forfeiture be paid in installments.

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-103 addresses requirement of license.

(1) (a) Unless exempted from the licensing requirement under Section **31A-23a-201** or **31A-23a-207**, a **person may not perform, offer to perform, or advertise any service as a producer, limited line producer, customer service representative, consultant, managing general agent, or reinsurance intermediary in Utah, without a valid individual or agency license** issued under this chapter.

(b) A valid license includes at least one license type and one line of authority pertaining to that license type.

(c) **A person may not utilize the services of another as a producer, limited line producer, customer service representative, consultant, managing general agent, or reinsurance intermediary if that person knows or should know that the other does not have a license as required by law.**

(Emphasis added.)

2. Utah Code Ann. § 31A-23a-302 addresses agency designations.

(1) An agency shall designate an individual that has an individual producer, limited line producer, customer service representative, consultant, managing general agent, or reinsurance intermediary license to act on the agency's behalf in order for the licensee to do business for the agency in this state.

(2) An agency shall report to the commissioner, at intervals and in the form the commissioner establishes by rule:

- (a) a new designation; and**
 - (b) a terminated designation**
- (Emphasis added.)

3. Respondent violated the above provisions when it utilized unlicensed individuals as customer service representatives and/or producers in its two Utah offices.

4. An administrative forfeiture in the amount of \$9,000.00 to be paid in installments 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:

Respondent Dynamic Insurance Agency is hereby an administrative forfeiture in the amount of \$9,000.00 to be paid to the Department in three equal payments of \$3,000.00. The first payment shall be made within 30 days of the issuance of this Order; the second payment shall be made within 60 days of the issuance of this Order; and the third payment shall be made within 90 days of the issuance of this Order.

NOTIFICATION

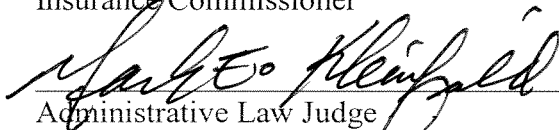
You are hereby notified that a failure to obey an Order of Commissioner may subject you to further penalties, including forfeitures of up to \$5,000 per violation and the suspension or revocation of your license and the filing of an action in district court, which may impose

forfeitures 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.

DATED this ~~12~~²⁰ day of July, 2011.

NEAL T. GOOCH
Insurance Commissioner



Administrative Law Judge
Utah Insurance Department
State Office Building Room 3110
Salt Lake City, UT 84114
Telephone 801-538-3800