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UTAH STATE  
INSURANCE DEPT.

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BEFORE THE INSURANCE COMMISSIONER  
OF THE STATE OF UTAH

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**COMPLAINANT:**

UTAH INSURANCE DEPARTMENT

**RESPONDENT:**

GBS BENEFITS INSURANCE AGENCY  
465 South 400 East, Suite 300  
Salt Lake City, UT 84111-3349  
License No. 5371

**STIPULATION AND ORDER**

Docket No. 2011-0107 LC

Enf. Case No. 2885

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**STIPULATION**

1. Respondent, GBS Benefits Insurance Agency is a resident insurance agency in the State of Utah, holding license number 5371.
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 he 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 June, 2011.



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GBS BENEFITS INSURANCE AGENCY  
Diane Fullerton, Chief Operations Officer



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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 December 23, 2010, the Department received a complaint against the Respondent alleging that Respondent had offered to provide services to a new business client, Syracuse City, that were not specified in an insurance contract and that were prohibited in Bulletin 2010-7.

2. An investigation into the complaint was commenced by a market conduct examiner. On February 24, 2011, the examiner requested documents and information from Respondent. Meetings and interviews followed.

3. On March 10, 2011, counsel for Respondent provided an email from a former Assistant Commissioner giving Respondent permission to offer many of the services in question. After reviewing the email, the examiner closed the investigation into Respondent's solicitation of Syracuse City as a business client.

4. On or about March 2, 2011, the Department learned that the Respondent continued to offer free services to its insureds that were listed as prohibited in Bulletin 2010-7.

5. On March 21, 2011, Respondent disclosed that it had 37 clients to which the prohibited service had been offered.

6. It was agreed by Respondent, MC Director Suzette Davis Green-Wright, and Commissioner Gooch that a maximum administrative forfeiture for one violation would be assessed, and probation for a period of six months would be imposed.

7. It was also agreed that this Stipulation and Order will not be posted on the Department's website until other investigations of other licenses are closed.

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-402 states in part:

(2)(a)(I) A licensee under this title, or an officer or employee of a licensee may not induce any person to enter into or continue an insurance contract or to terminate an existing insurance contract by offering benefits not specified in the policy to be issued or continued, including premium or commission rebates.
  
2. Respondent violated the above provision when it used unfair inducements to obtain and/or renew insurance contracts.
  
3. An administrative forfeiture in the amount of \$5,000.00 and probation for a period of six 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. Respondent GBS Benefits Insurance Agency is assessed an administrative forfeiture in the amount of \$5,000.00 to be paid to the Department within 30 days of the issuance of this Order.
  
2. Respondent's insurance license is placed on probation for a period of six months commencing with the date of this Order. The terms of probation are that Respondent shall pay the forfeiture assessed herein in a timely manner and shall have no further violations of the

Insurance Code, Department Rules, or any Order of the Commissioner.

DATED this 14<sup>th</sup> day of June, 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 forfeiture 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.