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OCT 24 2011

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:**

WILLIAM J. GERDTS  
7611 S. Jordan Landing Blvd. #103  
West Jordan, UT 84084  
License # 235675

**STIPULATION AND ORDER**

Docket No. 2011-241 PC

Enf. Case No. 2972

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**STIPULATION**

1. Respondent, William J. Gerdts, is licensed resident insurance producer holding License # 235675.
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.

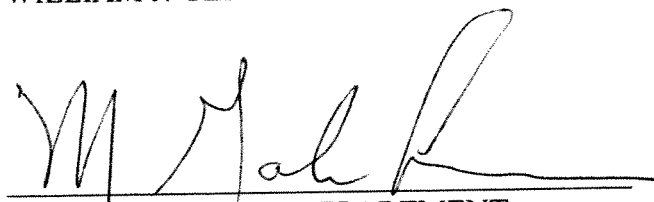
4. Respondent admits the jurisdiction of the State of Utah Insurance Commissioner as to all matters herein.

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 21 day of October, 2011.

  
\_\_\_\_\_  
WILLIAM J. GERDTS

  
\_\_\_\_\_  
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. In a letter dated January 31, 2011, addressed to the Director of Market Conduct, a representative of American Family Insurance alleged that the Respondent committed insurance fraud by changing the term of his insureds' policies without the insureds' consent. This practice began around July or August 2010.

2. On March 8, 2011, the American Family representative emailed supporting documents from at least 20 insureds who had not requested a change in policy terms, but whose terms had nonetheless been changed through actions of the Respondent.

3. On March 30, 2011, the market conduct examiner met with Respondent. Respondent admitted to changing auto policies from 6 to 12 months terms. He stated this was a recommendation from his district manager who said it would help in policyholder retention.

4. On April 4, 2011, the Respondent provided a written statement to the examiner and stated his reasoning for changing the auto insurance terms from 6 to 12 months.

5. On August 19, 2011, Respondent agreed to an administrative forfeiture of \$4000.00, probation for a period of 24 months, and completion of 3 hours of Ethics CE within 12 months.

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

**CONCLUSIONS OF LAW**

1. By submitting changes to policies without the consent of the insureds, Respondent

violated Utah Code Ann. § 31A-23a-402(1)(a)(I).

2. In submitting false or misleading information to an insurer, Respondent calls into question his qualification to hold an insurance agent's license under Utah Code Ann. § 31A-23a-107(2) of being competent and trustworthy.

3. An administrative forfeiture in the amount of \$4,000.00, probation for a period of 24 months, and mandatory completion of 3 additional hours of Ethics CE is appropriate in this case.

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 William J. Gerdt is assessed an administrative forfeiture of \$4,000.00, to be paid in six monthly payments. The first payment in the amount of \$670.00 is due within 30 days of issuance of this Order. The second through sixth payments of \$666.00 each are due 60 days, 90 days, 120 days, 150 days, and 180 days following the date of this Order..

2. Respondent's insurance agent's license is hereby placed on probation for a period of 24 months commencing with the date of this Order. The terms of probation are: Respondent shall pay the forfeiture assessed herein in a timely manner; Respondent shall within 12 months of the date of this Order complete three additional hours of continuing education in Ethics in addition to the continuing education required for the renewal of his license; and Respondent shall have no further violations of the Utah Insurance Code or Rules or of any order of the commissioner.

**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 \$2,500.00 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.

DATED this 25<sup>th</sup> day of October, 2011.

NEAL T. GOOCH  
Insurance Commissioner



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

## CERTIFICATE OF MAILING

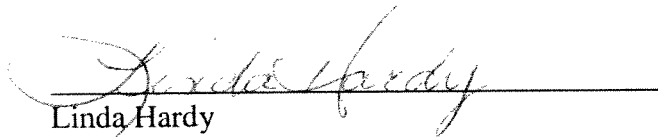
I do hereby certify that on this date I mailed, by regular mail, postage prepaid a true and correct copy of the attached:

### STIPULATION & ORDER

To the following:

William J. Gerdtz  
3197 S Redwood Road  
West Valley, UT 84119

DATED this 25<sup>th</sup> day October, 2011



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

# UTAH Invoice - Original

Printed Date: October 25, 2011  
Invoice Date: October 25, 2011  
Balance Due: \$4,000.00  
Due Date: April 25, 2012  
Invoice ID: 534206  
Payor ID: 122583

GERDTS WILLIAM JOSE  
3197 S REDWOOD ROAD SUITE 10  
WEST VALLEY UT 84119

<b>Item Description</b>	<b>Amount</b>
10/25/2011 Monetary Penalty Individual	\$4,000.00
E-Case 2972 Docket 2011-241 LC	
<b>Original Amount Due</b>	\$4,000.00
<b>Payments Received</b>	
	<b>Balance Due</b>

# UTAH Invoice - Original

Invoice Date: October 25, 2011  
Balance Due: \$4,000.00  
Due Date: April 25, 2012  
Invoice ID: 534206  
Payor ID: 122583  
Payor Name: GERDTS, WILLIAM JOSE

Make checks payable to: Utah Insurance Department

Send payment to:

Utah Insurance Department  
3110 State Office Building  
Salt Lake City, UT 84114-6901