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BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH

COMPLAINANT:

UTAH INSURANCE DEPARTMENT

RESPONDENT:

BILLY A. GERDTS
3197 S. Redwood Rd., #10
West Valley City, UT 84119
License # 276031

STIPULATION AND ORDER

Docket No. 2011-225 PC

Enf. Case No. 2973

STIPULATION

1. Respondent, Billy A. Gerdts, is licensed resident insurance producer holding License # 276031.
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 14th day of OCTOBER, 2011.



BILLY 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 8, 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 16, 2011, Respondent agreed to an administrative forfeiture of \$4000; 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 Billy A. 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.

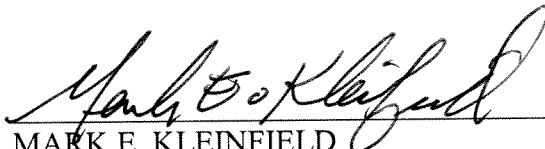
NOTIFICATION

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 \$5,000.00 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 21ST day of October, 2011.

NEAL T. GOOCH
Insurance Commissioner



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