

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:

SENTINEL SECURITY INSURANCE
PLANS, a dba of SENTINEL SECURITY
PLANS, INC.

Attn: Scott Ahrendt
1929 Allen Parkway
Houston, TX 77019
License No. 98187

STIPULATION AND ORDER

Docket No. 2012-139 LF

Enf. Case No. 3173

STIPULATION

1. Respondent, Sentinel Security Insurance Plans, a dba of Sentinel Security Plans, Inc. ("Sentinel") is a non-resident insurance producer organization holding Utah license number 98187.

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 27th day of August, 2012.



SENTINEL SECURITY INSURANCE PLANS,
a dba of SENTINEL SECURITY PLANS, INC.
Scott Ahrendt, Attorney for Respondent



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 August 8, 2011, an audit of Wasatch Lawn Mortuary was conducted by a Department investigator.
2. During the audit, it was discovered that Wasatch Lawn Memorial knowingly allowed a licensed individual producer to sign funeral insurance applications sold and completed by an unlicensed individual.
3. During the period June 18, 2011, through August 13, 2011, Respondent Sentinel received \$5,218.60 in commissions from American Memorial Life Insurance Company for the sale of seventeen (17) pre-need insurance funeral plans to customers of Wasatch Lawn Mortuary, 3401 Highland Drive, Salt Lake City, Utah.
4. James E. Pennington a licensed individual producer was listed as the writing agent on the applications; however, Brad Bohling, an unlicensed individual producer, sold the contracts to the consumers and was paid the bonus compensation for the sale by the Respondent.
5. Brad Bohling did not receive his Utah resident producer license until September 22, 2011, and was not appointed with American Memorial Life Insurance Company until September 26, 2011.
6. Respondent did not associate Brad Bohling with its agency until March 16, 2012.
7. Respondent paid compensation/bonus to Bohling knowing he was not a licensed individual producer.
8. Respondent utilized the services an individual as a producer, knowing he was an

unlicensed individual.

9. Respondent agrees to an administrative forfeiture in the amount of \$4,000.00.

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 states:

(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, surplus lines producer, limited line producer, 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.

2. Utah Code Ann. § 31A-23a-408 states that a person may not represent that the person is acting in behalf of an insurer unless a written agency contract is in effect giving the person authority from the insurer and the insurer appoints that person to act in behalf of the insurer.

3. Utah Code Annotated § 31A-23a-504 addresses sharing commissions and states that “[e]xcept as provided in Section 31A-23a-103(3) a licensee or an insurer may only pay consideration or reimburse out-of-pocket expenses to a person if the licensee knows that the person is licensed under this chapter as to the particular type of insurance. . . .”

4. By utilizing the services as a producer of Mr. Bohling, an unlicensed individual,

knowing he was not licensed as required by Utah law, Respondent violated Utah Code Ann. §§ 31A-23a-103(1)©) and 31A-23a-408.

5. By paying commissions or bouses to an unlicensed individual producer, knowing that the person was not licensed as required by law, Respondent violated Section 31A-23a-504.

6. An administrative forfeiture in the amount of \$4,000.00 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:

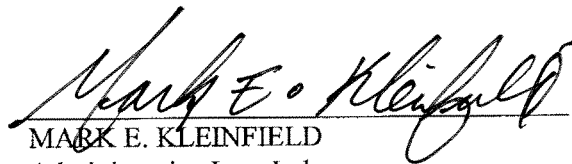
ORDER

IT IS HEREBY ORDERED:

Respondent, Sentinel Security Insurance Plans dba Sentinel Security Plans, Inc. is assessed an administrative forfeiture in the amount of \$4,000.00 The forfeiture shall be paid to the Department within 30 days of the date of this Order.

DATED this 29 day of August, 2012.

NEAL T. GOOCH
Insurance Commissioner



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

NOTIFICATION

Respondent is hereby notified that a failure to obey and Order of the Commissioner may subject it to further penalties, including forfeiture of up to \$5,000.00 per violation and the suspension or revocation of its license and the filing of an action in district court, which may impose forfeitures of up to \$10,000.00 per day for continued violation.

Respondent is further notified that other jurisdictions in which you may be licensed may require that you report this action to them.