

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
Facsimile: 801-366-0378

**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH**

COMPLAINANT:

UTAH INSURANCE DEPARTMENT

RESPONDENTS:

REGENCE BLUE CROSS BLUE
SHIELD OF UTAH
2890 E. Cottonwood Pkwy
Salt Lake City, UT 84121
Utah Org. ID 1324

STIPULATION AND ORDER

Docket No. 2012-132 HL

Enf. Case No. 3190

STIPULATION

1. Respondent, Regence Blue Cross Blue Shield of Utah, is an insurer domiciled and authorized to do business in the State of Utah, Utah Company Identification No. 1324.
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;

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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.

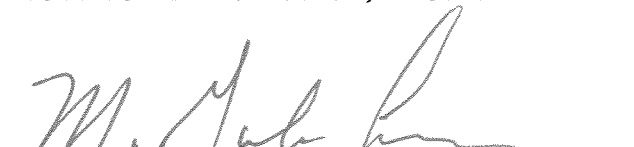
4. Respondent admits the jurisdiction of the State of Utah Insurance Commissioner as to all matters herein.

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 7th day of August, 2012.


REGENCE BLUE CROSS BLUE SHIELD OF
UTAH
Jennifer B. Danielson, President


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 February 2, 2012, the Department received a complaint that Joseph A. Hansen Insurance Agency, Inc. ("Agency") producer, organization license #90356, and Annamarie Edam, individual producer license# 259055, were conducting business on behalf of Regence Blue Cross Blue Shield of Utah without an appointment.

2. A review of Department records indicated that the Agency is a licensed producer organization in Utah. The Agency's license lapsed for failure to renew on August 31, 2011. All appointments to insurers and designations for individual producers were terminated at that time.

3. The license was reinstated on September 6, 2011. The records further indicated that Respondent re-appointed the Agency on February 2, 2012, with an effective date of February 1, 2012.

4. On February 3, 2012, a market conduct examiner, Jen Christian, contacted Ms. Edam via telephone to request an explanation of the complaint allegations. Ms. Edam stated the Agency and she had not been aware that the appointment had been terminated, however it was reactivated effective February 1, 2012.

5. On April 25, 2012, the MCE contacted Respondent requesting an explanation of why the Agency and Ms. Edam were allowed to conduct business on Respondent's behalf without a proper appointment.

6. On May 11, 2012, Respondent provided an explanation to the Department. Respondent stated that on September 8, 2011, they reviewed the Department's website to

confirm the Agency's license had been renewed. It was realized at this time that the appointments had been terminated. Respondent stated that they began communications with the Agency in September 2011 to verify an active license, but due to a back-log in Respondent's system, the appointment was not processed until February 2, 2011.

7. Respondent was cooperative during the investigation, and agreed to an administrative forfeiture in the amount of \$1,500.00.

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-115 (1) (a) states:

An insurer shall appoint an individual or agency with whom it has a contract as an insurance producer, limited line producer, or managing general agent to act on the insurer's behalf in order for the licensee to do business for the insurer in this state.

2. In failing to have Joseph E. Hansen Insurance Agency and Annamarie Edam appointed to Respondent from September 1, 2011 through February 1, 2012, Respondent violated the above statute.

3. An administrative forfeiture in the amount of \$1,500.00 is appropriate under the circumstances.

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, Regence Blue Cross Blue Shield of Utah, is assessed a forfeiture of \$1,500.00 to be paid to the Utah Insurance Department withing 30 days of issuance of this Order.

DATED this 14th day of August, 2012.

NEAL T. GOOCH
Insurance Commissioner


MARK E. KLEINFELD
Administrative Law Judge
Utah Insurance Department

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