

M. GALE LEMMON #4363  
Assistant Attorney General  
JOHN E. SWALLOW #5802  
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

**RESPONDENTS:**

GARNER D. JENSEN INSURANCE GROUP  
License No. 104784

STEVEN MICHAEL ALBRECHT  
License No. 140533

750 East 9000 South, Suite B  
Sandy, UT 84094

**STIPULATION  
&  
ORDER**

**Docket No.** 2013-040-PC

Enf. Case No. 3199

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**STIPULATION**

1. Respondent, Garner D. Jensen Insurance Group (“GDJIG”), is a licensed insurance agency in the State of Utah, holding License No. 140553. Respondent Steven Michael Albrecht (“Albrecht”) is a licensed insurance agent in the State of Utah, holding License No. 10478, and is designated on the license of Respondent GDJIG.

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.

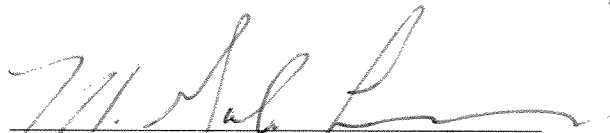
4. Respondent admits the jurisdiction of the State of Utah Insurance Commissioner as to all matters herein.

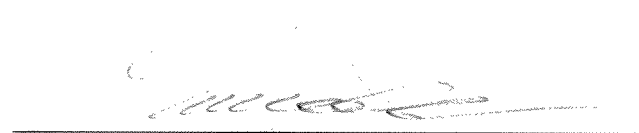
5. Respondent is acting herein free from any duress or coercion of any kind or nature, having been advised fully as to his rights set forth herein.

6. Respondent acknowledges that the issuance of this Order by the Commissioner is solely for the purpose of disposition of the matter entitled herein.

7. If this agreement is not accepted or the penalty not imposed as agreed upon by the parties, then this Stipulation will be void and of no effect.

DATED this 9<sup>th</sup> day of July, 2013.

  
UTAH INSURANCE DEPARTMENT  
M. Gale Lemmon  
Assistant Attorney General

  
GARNER D. JENSEN INSURANCE GROUP  
Garner D. Jensen, President

  
STEVEN MICHAEL ALBRECHT

Based upon the foregoing Stipulation and information in the file, the Presiding Officer makes the following Findings of Fact:

**FINDINGS OF FACT**

1. Respondent Garner D. Jensen Insurance Group (“GDJIG”) is a licensed insurance agency in the State of Utah, holding license No. 140553. Respondent Steven Michael Albrecht (“Albrecht”) is a licensed insurance agent in the State of Utah, holding license No. 10478, and is designated on the license of Respondent GDJIG.

2. Respondents Albrecht and GDJIG provided motor vehicle dealer bonds for their client, Construction Essentials, Inc., dba The Trailer Connection (“Construction Essentials”), beginning in at least 2005.

3. On or about October 21, 2006, Construction Essentials sent a check made payable to Garner Jensen Insurance in the amount of \$1,000.00, for the purpose of renewing its vehicle dealer bond. Respondent GDJIG deposited that check into its trust account on November 1, 2006.

4. Respondent Albrecht, acting as an agent for Respondent GDJIG, attempted to obtain a renewal of the Construction Essentials bond through C.N.A. Surety which had previously provided the bond for Construction Essentials.

5. C.N.A. Surety denied the bond renewal for Construction Essentials because of information on a credit report.

6. Following the denial of the bond renewal by C.N.A. Surety, Respondent Albrecht, acting as an agent for Respondent GDJIG, electronically submitted a request for a bond for Construction Essentials on January 2, 2007, to American States Insurance Company, to be

effective as of December 24, 2006. That submission was given a “transaction number” of 171001 by American States Insurance Company.

7. American States Insurance Company denied the request for a bond on the same day it was submitted based on information in Construction Essentials credit report.

8. On or about the same day, Respondent Albrecht, acting as an agent for Respondent GDJIG, printed out a blank Motor Vehicle Dealer Bond form and filled it in by hand, using the transaction number provided by American States Insurance Company for the bond request submission as the bond number, writing in American States Insurance Company as the surety, for an amount of \$75,000.00, and signing it as Attorney-in-Fact, with a date of December 24, 2007.

9. Respondent Albrecht knew or should have known that he did not have the authority to issue the bond in question, and that American States Insurance Company would not honor the bond.

10. After issuing the bond, Respondent Albrecht provided it to Construction Essentials, knowing that they would provide it to the Utah State Tax Commission, and that the Tax Commission would rely on the bond to allow Construction Essentials to be licensed for the next year.

11. During the period of time the purported bond issued by Respondent Albrecht was to have covered, Construction Essentials went out of business.

12. A claim was attempted to be made on the bond by MPRI/L-3 Services Group for the loss of \$26,277.40 on a trailer contracted to be provided by Construction Essentials. American States Insurance Company denied the claim on the basis that no legitimate bond was in place

covering Construction Essentials. Respondent's actions were a direct cause of the unpaid loss.

13. Respondents failed to forward the \$1,000.00 premium received from Construction Essentials to an appropriate payee, but sent it net of expected commissions or a total amount of \$800.00 to C.N.A. Surety on October 30, 2006, who applied it to other accounts of Respondents' clients, and not to premiums for Construction Essentials. Respondents retained \$200.00 which they converted to their own use.

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

#### **CONCLUSIONS OF LAW**

1. In issuing an invalid bond, Respondent Albrecht issued false evidence of insurance in violation of Utah Code Ann. § 31A-23a-402(1)(a)(i).

2. In failing to forward premiums received from an insurer to the appropriate payee, or to return them to the insured, Respondents violated Utah Code Ann. § 31A-23a-409.

3. Respondent GDJIG is responsible for the acts of Respondent Albrecht, acting as its agent, under Utah Code Ann. § 31A-23a-302(7).

4. Respondents are subject to the imposition of forfeitures of up to twice the amount of any profit gained from the violation of the Utah Insurance Code or Rules plus additional forfeitures of up to \$5,000.00 per violation for the agency and of up to \$2,500.00 per violation for an individual licensee under Utah Code Ann. § 31A-2-308(1).

5. The license of Respondent Albrecht is subject to suspension of up to 24 months

pursuant to Utah Code Ann. § 31A-23a-112.

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 Albrecht is assessed an administrative forfeiture in the amount of \$1,000.00, to be paid within 30 days of the date of this Order.
2. Respondent Albrecht's insurance agent's license is placed on probation for a period of 24 months beginning with the date of this Order. The terms of probation are:
  - a. Respondent Albrecht shall pay the forfeiture assessed herein in a timely manner;
  - b. Respondent Albrecht shall repay the losses suffered by MPRI/L-3 Services Group in the amount of \$26,277.40, as they shall direct, and provide proof of such payment to the Department, within 180 days of the date of this Order;
  - c. Respondent Albrecht shall complete 3 hours of continuing education in ethics, in addition to the continuing education required for renewal of his insurance agent's license, to be completed prior to the next application for his license renewal; and
  - d. Respondent Albrecht shall have no further violations of the Utah Insurance Code or Rules or of any order of the commissioner during the period of probation.
3. Respondent Garner D. Jensen Insurance Group is assessed an administrative forfeiture in the amount of \$2,000.00, to be paid within 30 days of the date of this Order.

**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 \_\_\_\_\_ day of JUL 10 2013, 2013.

TODD E. KISER  
INSURANCE COMMISSIONER



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MARK E. KLEINFELD, Esq.  
Administrative Law Judge  
Utah Insurance Department  
State Office Building, Room 3110  
Salt Lake City, Utah 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:

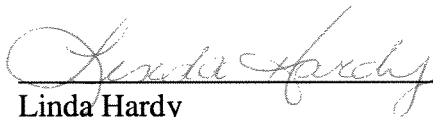
STIPULATION  
&  
ORDER

To the following:

**Garner D. Jensen Insurance Group**  
750 East 9000 South  
Sandy, UT 84094

**Steven Michael Albrecht**  
750 East 9000 South  
Sandy, UT 84094

DATED this 11<sup>th</sup> day July, 2013



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Linda Hardy  
Market Conduct  
801-538-3860  
[lhardy@utah.gov](mailto:lhardy@utah.gov)



**UTAH**  
**Invoice - Original**

Printed Date: July 11, 2013  
Invoice Date: July 11, 2013  
Balance Due: \$2,000.00  
Due Date: August 10, 2013  
Invoice ID: 642294  
Payor ID: 14274

SANDRA T DEARDEN  
GARNER D JENSEN INSURANCE GROUP  
750 EAST 9000 SOUTH STE B  
SANDY UT 84094

<b>Item Description</b>	<b>Amount</b>
7/11/2013 Monetary Penalty Agency E-Case 3199 Docket 2013-040 PC	\$2,000.00
<b>Original Amount Due</b>	<hr/> \$2,000.00
<b>Payments Received</b>	
	<hr/> <b>Balance Due</b>

**UTAH**  
**Invoice - Original**

Invoice Date: July 11, 2013  
Balance Due: \$2,000.00  
Due Date: August 10, 2013  
Invoice ID: 642294  
Payor ID: 14274  
Payor Name: GARNER D JENSEN  
INSURANCE GROUP

Make checks payable to: Utah Insurance Department

Send payment to:

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

**UTAH  
Invoice - Original**

Printed Date: July 11, 2013  
Invoice Date: July 11, 2013  
Balance Due: \$1,000.00  
Due Date: August 10, 2013  
Invoice ID: 642295  
Payor ID: 70585

ALBRECHT STEVE M  
GARDNER JENSEN INS  
750 E 9000 S STE B  
SANDY UT 84094

**Item Description**

7/11/2013 Monetary Penalty Individual  
E-Case 3199 Docket 2013-040 PC

**Amount**

\$1,000.00

**Original Amount Due** \$1,000.00

**Payments Received**

**Balance Due**                     

**UTAH  
Invoice - Original**

Invoice Date: July 11, 2013  
Balance Due: \$1,000.00  
Due Date: August 10, 2013  
Invoice ID: 642295  
Payor ID: 70585  
Payor Name: ALBRECHT, STEVE M

Make checks payable to: Utah Insurance Department

Send payment to:

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