

GARY D. JOSEPHSON #5299  
Assistant Attorney General  
SEAN D. REYES #7969  
Attorney General  
Attorneys for Utah Insurance Department  
160 East 300 South, Fifth Floor  
PO Box 140874  
Salt Lake City, UT 84114  
Telephone: 801-366-0375

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

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UTAH INSURANCE DEPARTMENT,

Complainant,

v.

TRANSAMERICA LIFE INSURANCE  
COMPANY: Co. ID 517:EIN 39-0989781  
4333 Edgewood Road NE  
Cedar Rapids, Iowa 52499

Respondent.

**STIPULATION AND ORDER**

Docket No. 2014-104 LF

Enf. Case No. 3380

Mark E. Kleinfield  
Administrative Law Judge

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**STIPULATION**

The Utah Insurance Department (“Department”), by and through its legal counsel, and Transamerica Life Insurance Company (“Respondent”), by and through its legal counsel, hereby stipulate and agree as follows:

1. Respondent is an active nonresident life insurance company. Respondent’s address is 4333 Edgewood Road NE, Cedar Rapids, Iowa 52499. Respondent’s Company ID is 517 and EIN is 39-0989781.

2. The Department has jurisdiction over the parties and subject matter of this administrative action.

3. Respondent acknowledges notice of agency action pursuant to Utah Code § 63G-4-201; acknowledges that this Stipulation and Order is an informal proceeding pursuant to Utah Code § 63G-4-202; and irrevocably waives the right to any hearing, review or appeal concerning this matter.

4. In regards to this matter, Respondent is represented by Attorney Randy Smart, 5295 South Commerce Drive, Ste 200, Murray, Utah 84107-5396.

5. This signed Stipulation and the signed and adopted Order by the Commissioner, along with any Findings of Fact and Conclusions of Law, shall not be subject to any reconsideration, renegotiation, modification, hearing or agency review or appeal.

6. If an administrative hearing were held, the Department alleges that it could provide evidence that would support the Findings of Fact presented below; therefore, the Findings of Fact and Conclusions of Law presented below are accepted by the parties.

7. The issuance of the signed and adopted Order proposed below is solely for the purpose of disposing of the specific matter entitled herein.

8. The only promises, agreements and understandings that the parties have regarding this matter are contained in this Stipulation.

9. Respondent enters into this Stipulation voluntarily, knowingly, and free from any coercion of any kind.

10. The persons signing this Stipulation on behalf of the named parties hereby affirm

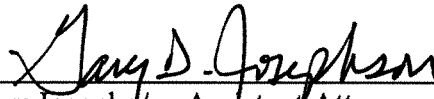
that they are authorized to sign and bind the parties.

Dated this 29 day of OCTOBER, 2014.



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Randy Smart, Attorney at Law  
for TRANSAMERICA LIFE INSURANCE COMPANY

Dated this 29<sup>th</sup> day of October, 2014.



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Gary Josephson, Assistant Attorney General  
UTAH DEPARTMENT OF INSURANCE

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

**FINDINGS OF FACT**

1. The Department initiated an investigation regarding Respondent's Group Hospital Indemnity Insurance "TransChoice Plus" being marketed in Utah.
2. The investigation found that the web domain www.landshealth.com shows Transamerica Life Insurance Company as the underwriter of TransChoice Plus.
3. At the Department's request, Respondent provided a January 1, 2012 through December 21, 2012 spreadsheet identifying all Group Hospital Indemnity Insurance marketed and sold in Utah; a list with identifying detail of all insured individuals and/or businesses; and a description of how products were sold to customers.
3. At the Department's request, Respondent provided master policies issued to the

associations marketing and selling Group Hospital Indemnity Insurance to consumers in Utah. The investigation then turned to whether Respondent had filed Group Questionnaires for each association as required by statute.

4. The investigation determined that only one of the seven associations had been filed with the Department. Also, six master policies had been issued to associations for which Respondent failed to file required group questionnaires.

5. The investigation also determined that Respondent had used the services of First Service Administrators, a third party administrator that was not licensed in Utah.

6. Working with the Department, as of July 3, 2013, Respondent completed all required filings and was brought into compliance with all statutory requirements.

7. Respondent cooperated fully with the Department in this investigation.

8. The Department and Respondent agreed to an administrative forfeiture in the amount of \$45,000.000.

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

#### **CONCLUSIONS OF LAW**

1. Department Rule R 590-220-9(2) requires that a filing for an eligible group include a completed Utah Accident and Health Insurance Group Questionnaire that must be completed for each eligible group under Sections 31A-22-503 through 507 and Subsection 31A-22-701(2). Respondent violated the above by failing to file the required questionnaire.

2. Utah Code Section 31A-23a-103(1)(c) prohibits a person from utilizing the services of another as a producer, limited line producer, surplus 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. Respondent violated this statute by utilizing the services of an unlicensed third party administrator.

3. The proposed administrative forfeiture of \$45,000.00 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:**

1. Respondent Transamerica Life Insurance Company is hereby assessed an administrative forfeiture in the amount of \$45,000.00.
2. The administrative forfeiture shall be paid to the Department within thirty days of the date this Order is signed by the Commissioner.

DATED this 30 day of October, 2014.

TODD E. KISER  
Insurance Commissioner



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

**NOTIFICATION TO RESPONDENT**

You are hereby notified that a failure to obey an Order of the Commissioner may subject you to further penalties, including forfeitures of up to \$5,000 per violation and the suspension or revocation of your license and the filing of an action in district court, which may impose forfeitures of up to \$10,000 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.

CERTIFICATE OF MAILING

The undersigned hereby certify that on this date, a true and correct copy of the foregoing STIULATION AND ORDER was mailed, postage prepaid, to the following:

**Randall Smart**  
Smart Schofield, Shorter & Lunceford  
5295 South Commerce Drive, Suite 200  
Salt Lake City, UT 84107

DATED this 30<sup>th</sup> day October, 2014



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LINDA HARDY  
UTAH INSURANCE DEPARTMENT  
STATE OFFICE BUILDING, ROOM 3110  
SALT LAKE CITY, UT 84114-6901



**State of Utah**

GARY R. HERBERT  
*Governor*

SPENCER J. COX  
*Lieutenant Governor*

# Insurance Department

## UTAH Invoice - Original

BRENDA KRAEMER  
TRANSAMERICA LIFE INSURANCE COMPANY  
4333 EDGEWOOD ROAD NE  
CEDAR RAPIDS IA 52499

Printed Date: October 30, 2014  
Invoice Date: October 30, 2014  
Balance Due: \$45,000.00  
Due Date: December 4, 2014  
Invoice ID: 728367  
Payor ID: 517

Date	Item Description	Amount	
10-30-2014	Monetary Penalty Company	\$45,000.00	E-Case 3380 Docket # 2014-104 LF

No Adjustments

No Payments

**Balance Amount Due \$45,000.00**

## UTAH Invoice - Original

Make check payable to: Utah Insurance Department  
Send payment to:  
Utah Insurance Department  
3110 State Office Building  
Salt Lake City, UT 84114-6901

Invoice Date: October 30, 2014  
Balance Due: \$45,000.00  
Due Date: December 4, 2014  
Invoice ID: 728367  
Payor ID: 517

**E-Case 3380 Docket # 2014-104 LF**

**Detach and Return this Voucher with Payment  
Payments Will Not Be Processed without Voucher**