

RECEIVED

APR 10 2014

UTAH STATE
INSURANCE DEPT.

PERRI ANN BABALIS #5658
Assistant Attorney General
SEAN D. REYES #7969
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
Email: pbabalis@utah.gov

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

UTAH INSURANCE DEPARTMENT,

Complainant,

vs.

AMIGOS INSURANCE AGENCY

1870 West 3500 South
West Valley City, UT 84119
License No. 334438,

Respondent.

**STIPULATION
AND ORDER**

Docket No. 2014-025 BB

Enforcement Case No. 3394

Judge Mark Kleinflied

The Utah Insurance Department (“Department”), by and through its attorney, Perri Ann Babalis, Assistant Attorney General, and Amigos Insurance Agency (“Respondent”), a licensed resident producer organization, hereby stipulate and agree as follows:

STIPULATION

1. Respondent, Amigos Insurance Agency, is a licensed resident producer organization, holding license number 334438. Respondent's mailing address is 1870 West 3500 South, West Valley City, UT 84119.
2. Respondent admits that the Utah Insurance Commissioner has jurisdiction over Respondent and over the subject matter of this action.
3. Respondent acknowledges notice of agency action pursuant to Utah Code Ann. § 63G-4-210; further acknowledges that this Stipulation and Order is an informal proceeding pursuant to Utah Code Ann. § 63G-4-202; and waives the right to any hearing in this matter.
4. Respondent affirms that Respondent enters into this stipulation voluntarily and knowingly.
5. Respondent affirms that the only promises, agreements, or understandings the Respondent has obtained from the Department or from an agent or representative of the Department regarding this stipulation are contained herein.
6. Respondent acknowledges that Respondent has the right to be represented by legal counsel and that Respondent has consulted legal counsel with regards to this stipulation.
7. The parties acknowledge that upon approval by the Respondent and the Department, this stipulation shall be made a part of the attached final Order, and shall be the final compromise and settlement of this matter, and is not subject to agency review, reconsideration, renegotiation, modification, appeal, or hearing.
8. Respondent admits on or about December 31, 2011, Respondent's insurance license

lapsed, and the license was reinstated on or about January 10, 2012.

9. Respondent admits that when an insurance license lapses, all producer associations also lapse.

10. Respondent admits that upon reinstating its license, it did not reappoint its producers, causing its producers to write approximately 3,209 policies during the time period of January 1, 2012 through August 31, 2013, while not being associated with an insurance agency.

11. Respondent admits that when the Department investigated the policies during the time when the producers were not appointed to the agency, the Department learned that Respondent asked all customers to sign a statement acknowledging that a non-commission compensation fee of \$26 was being charged on each policy.

12. Respondent admits that the above acts and practices constitute violations of the Utah Insurance Code. Specifically, Respondent admits that Respondent has violated:

a. Utah Code Ann. § 31A-23a-103, Requirement of license, in that Respondent's license lapsed during 2013;

b. Utah Code Ann. §§ 31A-23a-302 and 408, in that Respondent failed to reappoint its producers following the lapse of their insurance license;

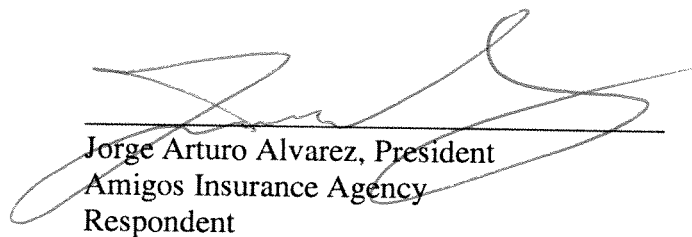
c. Utah Code Ann. § 31A-23a-501, Licensee compensation, in that Respondent received non-commission compensation from an insured with regards to an act to be provided in order to receive commission compensation; and

d. Utah Administrative Rule, R590-244, Individual and Agency Licensing Requirements.

13. As full settlement of all of the issues raised in the stipulation, Respondent agrees to:

- a. pay a forfeiture of \$16,500.00 to the Department, due within 12 months from the date of the Order;
- b. be placed on probation for a period of 24 month;
- c. every six months Respondent will provide a record of the prior months' operating account and trust account and any other business account to the Department; and
- d. be subject to no-notice inspections from the Department.


DATED this 10th day of April, 2014.



Jorge Arturo Alvarez, President
Amigos Insurance Agency
Respondent

DATED this 23 day of March, 2014.

SEAN D. REYES
Attorney General



Perri Ann Babalis
Assistant Attorney General

Based upon the foregoing Stipulation, the Presiding Office hereby enters the following:

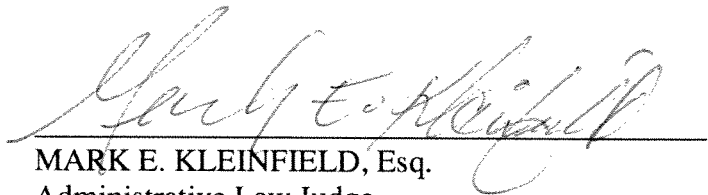
ORDER

IT IS HEREBY ORDERED:

1. Respondent, Amigos Insurance Agency, is ordered to pay a forfeiture in the amount of \$16,500.00, which amount is due and owing to the Department within 12 months of the date of this Order.
2. Respondent, Amigos Insurance Agency, is placed on probation for a period of 24 months from the date of this Order.
3. Every six (6) months Respondent will provide a record of the prior months' operating and trust accounts and any other business account to the Department.
4. Respondent, Amigos Insurance Agency, is subject to no-notice inspections from the Department.

DATED this 10th day of April, 2014.

TODD E. KISER
INSURANCE COMMISSIONER



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

NOTIFICATIONS

1. 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.
2. You are further notified that other jurisdictions in which you may be licensed may require that you report this action to them.